# The National Underwriter

THURSDAY, SEPTEMBER 11, 1930

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## REINSURANCE

INSURANCE . . . . THE ONLY MAN-MADE INSTITUTION THAT HAS WITHSTOOD THE ONSLAUGHTS OF PANIC, WAR AND PESTILENCE WITHOUT A BREAKDOWN.

REINSURANCE . . . . THE REINFORCING AND LEVELING ELEMENT IN INSURANCE WHICH MAKES POSSIBLE ITS SAFETY AND STABILITY.

FURNISHED TO CASUALTY COMPANIES BY

EMPLOYERS REINSURANCE CORPORATION KANSAS CITY

## About the Miller of Mansfield

"... who cared for nobody—no, not he, because nobody cared for him."

THE Miller would never have made a success as an underwriter, nor could he have held down a job in our organization ten days—

... for we believe in Friendliness!

You like to "do business" with an organization which is distinguished by a kindliness and consideration. A little friendliness serves to quicken our pulse and release a portion of the unsuspected genius and power stored in every one of us.

It puts a tint of rose in the ocher of everyday life.

It lubricates the machinery of business and makes its wheels go round. It mollifies the irate client; makes friends of the critic, and allies of enemies. It sugar-coats the necessary bitter pill.

The Miller of Mansfield, we wager, could never have handled bees without getting stung.

It is not in the big, vital policies; but in the many little interchanges of everyday life, that is revealed the measure of the man, as well as of the organization.

. . . but every insurance man knows this!

Like Abou Ben Adhem, we think the successful underwriter must be able to say:

> "I pray thee, then, write me as one who loves his fellow men."

It has been said by insurance men who know this organization well, that we are easy to get along with, that we see the other fellow's side, that we are "honest-to-goodness," and "regular fellows."

Perhaps, ours is the type of organization you would like to represent. We should be very glad to tell you something about our new franchise. It should interest you. Correspondence a pleasure.

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## The National Underwriter

Thirty-Fourth Year No 37

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 11, 1930

\$4.00 Per Year, 20 Cents a Copy

## Hartford Scene of Two Meets

Commissioners' Convention and Connecticut Insurance Day Draw Many Celebrities

INSURANCE STRONGHOLD

Colorful Setting Gives Vivid Background to Highlights of Important Gatherings

OFFICERS ELECTED

President—C. C. Wysong, Indiana. First Vice-President—Jess G. Read, Oklahoma.
Second Vice-President—Clare A. Lee,

Second Vice-President—Clare A. Lee, Oregon.
Secretary—A. S. Caldwell, Tennessee.
Executive Committee—R a y Y e n t e r. lowa, Chairman; D. C. Boney, North Carolina; M. H. Taggart, Pennsylvania; C. S. Younger, Ohio; L. J. Dort, Nebraska; W. A. Tarver, Texas; Theodore Thulmeyer, Wyoming.
Place of Next Meeting—New York City, Dec. 9-10.

By C. M. CARTWRIGHT

HARTFORD, Sept. 10 .- The insurance environment, color and atmosphere, the strength of its underwriting institutions, were vividly pictured at Hartford this week when the National Convention of Insurance Commissioners met here. The importance of insurance in its every aspect in Hartford was impressed on the minds of visitors.

Hartford had a double-decked gathering as Connecticut Insurance Day exercises with an elaborate program were given all day Tuesday with James L. Case of Norwich as general chair-

#### Sponsored by Associations

This annual conclave is sponsored by

This annual conclave is sponsored by the Connecticut life, fire and casualty companies, Connecticut Field Club, Connecticut Association of Life Underwriters and Connecticut Association of Insurance Agents.

Vice-president William BroSmith of the Travelers was general chairman on arrangements for the Commissioners and their guests. There had been a vast amount of preliminary work done by various committees. The attendance by various committees. The attendance was larger than usual. It meant in was larger than usual. It meant in many cases making two blades of grass grow where only one was intended. The machinery oiled and furnished by these astute and efficient Hartford people ran with precision. If there were any weaknesses in the gearing they were not apparent to the visitors. The crowd arrived in large numbers Sunday and many were driven to New Haven where the Yale campus was exhibited by Donald H. North, well known New Haven local agent, who proved to be a most efficient guide and lecturer. The commissioners ate together at breakfast Monday morning in one room

breakfast Monday morning in one room while the hoi polloi had their morning
(CONTINUED ON PAGE 44)

## Acquisition Group Reports Grand Flocking

Commissioners Hear Frank Criticism of Existing Conditions and Elaborate Program of Recommendations for Curing Evils, Based on Special Survey and Hearings in Chicago

HARTFORD, Sept. 10.—The report of the committee on acquisition cost of the National Convention of Insurance Commissioners, of which Commissioner Livingston of Michigan is chairman,

Livingston of Michigan is chairman, was listened to with rapt attention.

It was the piece de resistance of the meeting. As copies had not been made, the commissioners decided to study it carefully and action was deferred until

the December meeting.

It was presented at the morning meeting Tuesday. Secretary Magrath of the committee read it.

It was divided into three sections, the first relating to the fire companies' position, second to the casualty companies and the third, agents and brokers. The report reviewed the history of the movement and quoted excerpts from statements of those who appeared at the Chicago hearings and from statements filed with the committee.

at the Chicago hearings and from state-ments filed with the committee. In the discussion, McQuarrie of Utah declared in many states the laws would not uphold a commissioner in trying to regulate agency commissioners, but he felt a maximum expense ratio might be established and let the companies make the proper allocation to its elements but he compelled to keep within the top compelled to keep within the top

The important parts of the report are:

#### FIRE CONCLUSIONS

"As a result of its investigations this committee is convinced that the trend of expense ratios in the fire insurance business, largely attributable in its opin-ion to unhealthy competition in the acquistion field, presents a condition which may well be viewed with alarm by com-pany officials and insurance commis-

While it is true that favorable loss ratios in general have within the past few years recognized that, to the extent the increased expense ratios rep-nt unnecessary cost, whether in resent unnecessary cost, whether in connection with unprincipled competi-tion or otherwise, companies are pre-vented from affording the public the full benefit of rate reductions that would otherwise be available without in any way impairing surplus and reserve accumulations necessary to fortify compa-nies against conflagrations or other

"It is the "It is the opinion of this committee that much of the increased cost results from the appointment of unnecessary and unqualified agents, and the payment of commissions to many agents beyond the fair value of the services performed by them.

#### Effects Are Indicated

"This condition has the effect of im-posing upon the companies burdens which should be borne by their agents, and impels the qualified responsible and service giving agent to demand and seek greater compensation to offset the

inroads made in business that would otherwise have normally been placed through him, and made unnecessary for him to seek such increases.

"A further cause for the increased cost in connection with the acquisition of business has been the great increase in the number of convenies and their

in the number of companies and their

"In the case of the older companies with increased capitalization it was natural that an attempt be made to main-tain at least the same relative proportion between premium income and cap-italization as had previously existed. "In the case of the new companies

"In the case of the new companies it was apparently felt that some induce-ment should be offered in the form of commissions and allowances to ence business to flow into their offices

#### Hints at Drastic Results

"It would appear that if present events are permitted to continue their natural course the public will be re-quired to pay for the indemnity fur-nished a cost greater than the value thereof or, in the event that the authorities invested with the power to regulate rates refuse to recognize expense loadings predicated upon what are ap-parently unsound business methods, it s apparent that many insurance com-panies will face financial loss unless conditions are corrected.

The following are recommendations which the committee urges the convention to adopt as an expression of its views, with particular reference to the fire insurance business.

1. That the insurance companies be urged to corelate the activities of the various underwriting associations under a single national association.

That the companies continue to endeavor, with the counsel and sup-port of this convention, to secure greater standardization of commission scale and the affiliation with the underwriters as-sociation with all important companies

3. That commission scales country wide, both for so called ordinary and excepted areas, be reviewed by the underwriters associations with the advice and counsel of the various agents' and and counsel of the various agents' and brokers' associations and the various insurance commissioners, with a view of attacking the source of existing abuses, and securing greater standardization on the basis of a commission program not only fair to the public, the agents and brokers and the companies, but also is more enforceable.

4. The attention of the companies and the members of this convention is directed to the fact that the root of the excess commission evil, both for lines

excess commission evil, both for lines of business and particular territories is frequently found in the existence of an improper rate level.

The companies and the members of (CONTINUED ON PAGE 10)

## of Blue Goose

Ganders Gather This Week at Rapid City for Annual Business Session

#### CONTEST ON FOR KEEPER

Group Life Insurance Arrangement Principal Problem that Is Up for Settlement

#### By LEVERING CARTWRIGHT

RAPID CITY, S. D., Sept. 10 .-Nearly 200 members and delegates are gathered here for four days of good fellowship, a measure of business and a larger measure of sight seeing in the picturesque Black Hills during the annual flight of the Blue Goose grand

The largest contingent arrived in special Pullmans from Chicago and Mankato, Minn., the party including Arthur Lohmeyer, the Aetna's state agent in Ohio, and P. J. V. McKian of the Western Actuarial Bureau, rivals for the post of grand keeper of the golden goose egg. From this position the winner, according to precedent, steps up in five years to become most loyal grand gander, so the contest is attracting grand garder. attracting great interest.

#### Rose to Reach Top

Henry L. Rose of Baltimore, supervisor of the flock, is scheduled to succeed D. L. McCoy of Sioux Falls as most loyal grand gander. If the regular succession obtains this year W. F. C. Fellers of Jacksonville, Fla., regular succession obtains this year W. F. C. Fellers of Jacksonville, Fla., grand custodian of the goslings, will assume Mr. Rose's post, while H. Churchill Smith of Montreal, guardian of the pond, will be elevated to Mr. Fellers' office. D. A. McKinley, Spokane, is scheduled to graduate from keeper of the golden goose egg to guardian of the pond. pond.

It is rumored that Paul E. Rudd of Milwaukee is slated for another im-portant position, so he may retire as

The most important and probably the The most important and probably the most controversial problem before the grand nest is the group life insurance contract. Recently the Blue Goose terminated its contract with the American National of Galveston and arranged to insure its members through the Taxas Psychothic of Galveston. to insure its members thro Texas Prudential of Galveston.

#### Losses Nearly Equal Premiums

In 1928-29 the American National collected \$76,775 in premiums from Blue Goose assureds and paid death claims of \$55,000. In 1929-30 the company collected \$84,741 and paid losses of \$87,-

problem of inducing members of the order to enter the plan still remains serious. Grand nest ofstill remains serious. Graficers are eager that the

(CONTINUED ON PAGE 44)

## **Time to Contest** Ruling on Rates

Prominent Atlanta Insurance Attorney Reviews Damaging Effects of Celebrated Case

#### SERIOUS PRECEDENT SET

Arthur G. Powell Delivers Engrossing Paper on State Regulation Before Insurance Counsel

The time is now ripe to ask the United States Supreme Court to limit the German Alliance ruling of that tribunal in 1914, on which legislative regulation of insurance rates largely is based, to its own special facts and limited subject matter, Arthur G. Powell, nationally known insurance attorney of Atlanta, advised the International Association of Insurance Counsel meeting at Ottawa, Can.

Ottawa, Can.

Mr. Powell points out that although the German Alliance case brings only fire insurance, and perhaps certain other kinds of the same nature, under the rate fixing power of states as business of a public nature, many state courts are using this decision as a basis for rulings which are building up "an imposing array of precedents whereby not only as to fire insurance but as to all other kinds of insurance the companies are being subjected to all sorts of obnoxious regulation."

#### Opens Pandora's Box

He says, "The holding that insurance rates are subject to state regulation opens a Pandora's box of subsidiary opens a Pandora's box of subsidiary legal, actuarial and practical questions. We may note in passing that the authorities in the classic mythology differ as to what it was that escaped from Pandora's box; some say evils; others say hessings

say blessings.
"I hope that some case will soon arise wherein some company other than a fire company can meet the point squarely and in such a setting as to have the general morale with it."

Mr. Powell emphasizes that there

should be cooperation in insurance to make certain that "border line" lawsuits in which the setting and morale are definitely against carriers should not be carried to the higher courts where damaging rulings may result. It is his opinion that insurance should not be too optimistic as to the prospect of having overruled this "obnoxious precedent" set in the German Alliance case, as he finds courts are slow to correct their own errors and frequently the only way to break down an ill considered precedent is by degrees.

#### Vexing Questions Arise

A multitude of vexing questions has followed in the wake of the German Alliance case. Some of these are:

"Who is to judge what expenses a company should incur, the insurance commissioner or other public official or board fixing the rates, or the company's directors or executives?

"Shall the same rates apply to stock companies giving agency service as to mutuals giving no such service?

"Can agents' commissions be regulated?

"Can income from the company's

'Can income from the company's "Can income from the company's capital and surplus be considered in rate making? If so, what proportion shall be allocated to each case, where a company does business in several states? "Shall the particular state's own experience be taken as the basis on which the actuarial probabilities for the future are to be calculated or shall the wider

## Survivors of Original Group



GEORGE D. MARKHAM, St. Louis



JACOB WACHENHEIMER, Peoria

There are two local agents still liv-ing who were present in September, 1896, when the group of men got to-gether in the Great Northern Hotel in Chicago and organized the National As-Chicago and organized the National Association of Insurance Agents, they being George D. Markham, head of W. H. Markham & Co. of St. Louis, and Jacob Wachenheimer of Peoria, Ill., head of Callender & Co. Mr. Wachenheimer is president of a large bank in Peoria and gives most of his time to that. The death of A. G. Simrall of Covington, Ky., who was one of the original group and was the first president of the organization, has brought to the attention of agency leaders, that of the 20 men that met in

Chicago at that eventful gathering, 18 Chicago at that eventful gathering, 18 have gone beyond the hills. There were two newspaper men who covered the meeting, C. I. Hitchcock and C. M. Cartwright. Mr. Hitchcock at that time Cartwright. Mr. Hitchcock at that time was insurance editor of the Chicago "Record Herald" and Mr. Cartwright of the Chicago "Inter-Ocean." Mr. Hitchcock, who later became head of the "Insurance Field" organization, died a few years ago, a coincidence when the midyear meeting of the National Association of Insurance Agents was holding its mid-year convention in Chicago. Mr. Cartwright managing editor of The NATIONAL UNDERWRITER, is the third of that group surviving. that group surviving.

experience of the nation or of the civilized world be taken?

"How much account shall be taken of the burden imposed on insurance companies by statutes or judicial decisions in the particular states?"

"Mr. Justice Sutherland speaking for the court," Mr. Powell comments, "says that the German Alliance case

'marks the extreme limit to which this court thus far has gone in frustrating price fixing regulation.' The power to fix prices, the power to fix rates, stands on a very different basis from the power to regulate a business. The power to fix minimum rates can be justified as to insurance on the ground of public (CONTINUED ON PAGE 12)

### CONDENSED NEWS OF WEEK

Commissioners' Convention and Connecticut Insurance Day staged in vivid Hartford setting this week. Page 3

Annual meeting of the grand nest of the Blue Goose is being held this week at Rapid City, S. D.

\*\* \*\*

President Dunham, in address at Commissioners' Convention, says insurance came through epochal year in sound condition.

\*\* \*\*

dition. \* \* \*

Secretary Bennett of National Association of Insurance Agents lambasts company executives in Connecticut Insurance Day talk.

John M. Thomas leaves Fire Association to join Home of New York.

Page 6

President Wyper of National Board declares in address at Connecticut Insurance Day that fire prevention work of companies although costly is well worth while.

James C. Maconachy becomes vice-president of Fire Association fleet on resignation of Maillot and Thomas. Page 6

Group session leaders for Dallas convention announced.

\* \* \*

rention announced.

\* \* \*

Arthur G. Powell, prominent Atlanta insurance attorney, tells Insurance Counsel at Ottawa, Can., meeting time has come to contest state rate regulation set up by German Alliance case.

\* \* \* \*

President Wegmann of the La Fayette
Fire substantiates complaints on the
practice of laundries and dry cleaning
establishments charging for specific
packages.

Page 11 \* \* \*

Important ruling on bank agencies made by Michigan supreme court.

Page 8

Acquisition cost committee of commissioners reports at Hartford meeting on survey of problem. Page 3

Limitation of investments urged by commissioners' committee at Hartford meeting; resolution referred for consid-eration at New York in December.

\* \* \* Chicago fire chiefs ask for \$5.670,000 bond issue to meet recommendations in survey report of National Board, charging obsolete housing conditions and need for equipment.

\* \* \* Dr. H. W. Dingman, vice-president Continental Assurance of Chicago, speaks before the International Claim Associa-tion on cooperation between underwrit-ers and claim adjusters. Page 37

ers and claim adjusters.

\* \* \*

Prominent St. Louis attorney predicts passing of aircraft restrictions in accident forms at Insurance Counsel meeting.

Page 37

General Surety of New York changes from a direct writing to a reinsurance company. Page 39 \* \* \*

Prominent Atlanta insurance attorney declares at Ottawa meeting of International Claim Association work of adjuster is highly important.

Page 39 \* \*

orth Dakota Insurance Federation s annual meeting at Bismarck. Page 37

Many visiting commissioners and other insurance celebrities of nation add color to celebration of Connecticut Insurance Day at Hartford. Page 38 \* \* \*

Michigan agents hold annual meeting at Port Huron, elect George J. Lieber president.

Pages 23-29 (Insert)

## Finds Companies Are Indifferent

Bennett Lambasts Executives in Talk at Connecticut Insurance Day Meeting

#### AGENTS HAVE NO VOICE

Secretary of Agents' Association Asks Why They Must Justify Agency System Alone

As a part of the general theme, "Present Day Issues," at Connecticut Insurance Day in Hartford, Sept. 9, Secretary Walter H. Bennett of the National Association of Insurance Agents, to whom was assigned the subject "Meeting the Problems," said in part:

"The arrangements of this program follow a sound principle of the medical profession, which calls for the services of the diagnostician first, and then the practitioner. A complete understanding of the causes of complaint must be reached before any steps leading toward its cure can avail.

#### Need Insurance Psychiatrist

"I wish that we might go even beyond these complex problems to which you have just listened. I could wish for an insurance psychiatrist who could go below the surface, delve into the unconscious mind of the business, root out its childish suppressions and its inhibitions, and through interpretation of its dreams, divest it of its mystery and solve its riddles.
"But since no such super-Freud has

solve its riddles.
"But since no such super-Freud has been discovered, it seems to me not amiss for those of us who spend our lives in daily contact with the insurance business to speculate a bit upon what we think he would find.

#### Touches on Intolerance

"I believe that he would find in the "I believe that he would find in the company mind an unconscious but well-defined feeling of intolerance toward almost any claim the agent may make that, as an integral part of the insurance business — the means through which it has grown to its present proportions—he is entitled to its confidence and to a voice in its councils.

"Too often we see in the company attitude the sincere though misguided

attitude the sincere though misguided conviction that to the agent, the company's word is fate; its wish is law.

pany's word is fate; its wish is law.
"I am not unsympathetic with problems of company management. They
are many and grievous, often trying the
patience and fortitude of even the most
able. My belief, nevertheless, is that
agency problems, however vexatious,
could be measurably reduced if their
organization were permitted to help in
the settlement thereof.

the settlement thereof.
"The company mind is engrossed in large affairs. Modern business is making unprecedented demands on it. It must devise new ways and discard many of its established practices, in order to keep up the pace. But as it proceeds, why should it not realize that if it tear down the foundation on which it is built, it may bring down the whole insurance structure?

#### Asks Why the Challenge

"Why should it issue a challenge to the agency system to justify itself alone and unaided, and hold over its head the eternal threat of branch office opera-tion? Why should it appoint hordes of non-policy-writing and other types of the incompetent agent, and then com-plain that the agents as a whole do not underwrite their business, do not pay

(CONTINUED ON PAGE 46)

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## **Prevention Is Costly Factor**

President Wyper of National Board Gives Fine Address at Hartford

IS WELL WORTH WHILE

Fire Company Executive Visualizes Day When Expense Element Exceeds Loss Ratio

Fire insurance stands almost, if not quite, alone in giving to other industries a constantly increasing degree of service and protection at a constantly decreasing cost, President James Wyper of the National Board declared in his talk at Connecticut Insurance Day, Hartford.

Practically every new evidence of the activity and initiative of fire insurance companies results in a further diminution of the average rate, he said. He admitted that it is true the average is affected by multiplication of fire resistive buildings and installation of a high type of fire protection, but he held that even apart from these factors there is a steady reduction of average rate upon risks which have been improved as a result of inspection and supervision given by companies without cost.

#### Have Perfected Service

"Beginning with the period when the ideas of fire prevention and service to the insured germinated, the fire insur-ance companies have devoted themselves in gradually increasing degree to the perfection of these branches of their activities," he said. "Side by side with these has grown the thought that as fire insurance is the foundation of commerce as well as its handmaid, it is incumbent on the companies to be alert to meet every new situation in manufacturing, transportation and distribution as it arises and to facilitate by every means in their power the transaction of every other kind of business.

"While it is not true that every property owner makes his own fire insurance rate, and it cannot be true while the principle of average prevails in rating as in other matters, it is true that the

### **Group Conference** Leaders at Dallas Meeting Chosen

NEW YORK, Sept. 10.—Excellent programs for the three group confer-ences at the annual convention of the National Association of Insurance Agents in Dallas Oct. 7-10, are assured with announcements of the following leaders:

leaders:
Group 1—For agents producing up to \$100,000 of annual premiums, A. L. Jenkins, Richmond, Ind. Group 2—For agents producing \$100,000 to \$300,000, Fred J. Lewis, Milwaukee. Group 3—For agents producing over \$300,000, W. E. Harrington, Atlanta.

It was Mr. Harrington who originated the idea of the group conferences last year, and their success is a tribute to his judgment. He was to have led the group three conference then, but was called away by the death of his mother. Percy H. Goodwin, now chairman of the executive committee, took his place.

his place.
Mr. Lewis conducted the second group conference last year, and it was so suc-cessful that those in attendance per-suaded him to prolong it into an evening

Mr. Jenkins, president of the Indiana association, who will conduct the group one conference, is one of the most active state presidents in the whole country. In his skillful hands this conference

In his skillful hands this conference also is sure to be a success. Each member who expects to attend the Dallas convention is requested, first, to pick out the group to which he belongs, and second, to write to its leader, suggesting subjects which he believes may be discussed with profit. The leaders are particularly anxious to know in advance what topics will meet with most interest and prove most valuable. most interest and prove most valuable.

owner may, by care in the construction and management of his property and by cooperation with his insurers for the elimination or protection of hazards, af-fect the proportion in which he con-tributes to the average. tributes to the average.

#### Cost Gradually Mounting

"He can obtain from the companies individually or from their organizations assistance in all these matters, and a steadily increasing share of the cost of conducting the business is chargeable to such service.

"This is due not only to the great

## Dunham Sees Year of Big Betterments in Insurance

than in a long time, and it has been a most important epoch in insurance, Col. Howard P. Dunham, Connecticut commissioner and president National Convention of Insurance Commissioners, said in his annual address at the commissioners' meeting in Hartford Mon-

Business records of companies indi-cate there were some wobbling finan-cial structures in less conservative com-panies, he said, but formation of new panies, he said, but formation of new carriers, so extensive in the boom pe-riod, has practically ceased and there are fewer mergers than last year. He said there were a few tangles due to the

said there were a few tangles due to the scramble for business, but as a whole the business has advanced fast and 1930 doubtless will show added efficiency in many ways.

The competitive commission problem very nearly has been solved, he said, and he predicted there would be fewer agents in the future but that they would be better qualified. would be better qualified.

#### Compliments Insurance Press

He spoke of the splendid influence of the insurance press and paid tribute to the high class educational publicity rethe high class educational publicity re-cently started by the National Board of Fire Underwriters. There is nothing to hide in the insurance business and the more the public knows about the busi-ness the better it is or all parties con-cerned, Mr. Dunham said.

He complimented the work of agents and advocated closer touch between the commissioners and agents. He said the over-conservative company that never changes its methods probably avoided many losses, but failed to make con-spicuous gains which were necessary to its continuance. He said the "open season" for legislative acts is at hand and he predicted the usual crop of bills which should be carefully watched by commissioners as well as companies. There are thousands of unnecessary laws already on our statutes, he said, and it would be well for commissioners openly to advocate lessening, rather than in-creasing, the number of laws.

#### Deprecates Examination Costs

He urged that departmental examination cost to companies be reduced if possible and that there be a general slowing up in the call and demand for

Conditions in field and home office | unnecessary statistics and other data. The companies pay taxes which of course are passed on to the public, and these extra fees amount to tremendous sums and the compilation of statistics is a very expensive item in the aggregate, he said.

is a very expensive item in the aggregate, he said.

Mr. Dunham discussed the economics of insurance. "In times of prosperity there is an expansion of capital and an expansion of human endeavors in nearly all lines of business. During such times it is not uncommon for unwise capital investments to be made, also for many people to become engaged in business pursuits which they are not fitted successfully to carry out,

"I have long been of the belief that the operation of the laws of economics can be relied upon to settle many of our problems. Attempts to regulate economic conditions by legislation have proved abortive in the past as they will in the future. As a people we have been too prone to seek legislation as a cure-all for our ills. Intervention by outside agencies has come only when it seemed, as it did in the matter of rising acquisition costs, that conditions rising acquisition costs, that conditions were developing which, if unchecked, would adversely affect the public inter-

#### Says Soundness Is Test

"We can look forward to the future with confidence that those insurance companies and agents whose business has been conducted along lines of sound has been conducted along lines of sound and intelligent business management and financial solvency with due regard to the public welfare will survive and continue to render indemnity and serv-ice to policyholders and beneficiaries to a greater degree than ever before, while the misfit will be weeded out through the law of survival of the fittest.

the law of survival of the fittest.

"The rising cost of the acquisition of business in connection with all lines of insurance has engaged the attention of the members of this body throughout the year just ended. They have also to an equal or greater degree engaged the serious attention of company executives whose normally narrow margin of underwriting profit is menaced by every rise in cost. Speaking in general terms, from a country-wide standpoint, the cost of insurance to the public has not risen. Indeed in some lines of insurance a review of the average rates will ance a review of the average rates will

(CONTINUED ON PAGE 9)

## BLUE GOOSE OFFICIALS IN THE BLACK HILLS





H. CHURCHILL SMITH, Montreal Grand Guardian of the Pond



D. A. McKINLEY, Spokane Grand Keeper of the Golden Goose Egg



PAUL E. RUDD, Milwaukee Grand Wielder of the Goose Quill

#### Announce John M. Thomas Is to Join Home of New York

HAS LEFT FIRE ASSOCIATION

Will Assume New Official Connection Oct. 1—Widely Known Over Country, Especially in West and South

NEW YORK, Sept. 10.—Fire insurance men the country over, and notably those in the central west and south, will be interested in the announcement that John M. Thomas, who has just resigned as vice-president of the Fire Association and its affiliated enterprises of Philadelphia, will assume an official connection with the Home of New York group Oct. 1. Mr. Thomas gained his early fire insurance training under George A. Bailey, one of the outstanding state agents of the old Phenix of Brooklyn. He subsequently traveled Kansas, Oklahoma and the Indian Territory for the company and was appointed its Texas and Arkansas state agent in 1900.

#### Joined Cochran in 1908

He resigned the post eight years later to associate with J. W. Cochran in the formation of a general agency, which firm later became John M. Thomas & Co. In 1917 he was elected secretary of the Fidelity-Phenix with headquarters at its western department in Chicago, becoming assistant to Vice-president Charles R. Street. When J. W. Cochran was called to Philadelphia to become president of the Fire Association in 1919, Mr. Thomas succeeded him as the company's western manager, retaining the connection until 1923 when he became western manager of the Aetna. His next move was in 1927 when he went to Philadelphia as vice-president and a director of the several companies

went to Philadelphia as vice-president and a director of the several companies embraced in the Fire Association fleet. Mr. Thomas is versed in every phase of the fire insurance business, and few underwriters can match his training. Always a strong organization man he was for many years a leading figure in the different governing bodies of the west, serving in turn as chairman of the subscribers actuarial committee, the conference committee, the governing committee of the old Union and later president of the body. In addition he has been president of the Oil Insurance Association and a director in a score or more affiliated associations. At present he is chairman of the public relations committee of the National Board and is a member of its committee on loss adjustments. As a public speaker Mr. Thomas is direct, forceful and logical, and few men in the business are able to talk before committees more convincingly.

#### Name Foster New President

R. Leighton Foster, insurance superintendent for Ontario, who has served the association as secretary for the past seven years, was elected president of the Association of Superintendents of Insurance of the Provinces of Canada, and Superintendent Dugal of Quebec was continued in the office of vice-president. Howard B. Armstrong, deputy superintendent of Ontario, was elected secretary-treasurer.

There was a disposition on the part of members to leave solution of the credit evil to the individual provinces. The evil of extending credit by agents to customers is great, and the superintendents believe that it is more difficult of solution than the extending of credit by companies to agents. Superintendent Dugal remarked that the advisory board now superintending agents' licenses in Quebec has within the last year discovered more than \$100,000 of agents' balances which the companies had failed to collect, notwithstanding the premiums had been paid by the insured.

#### Goes with Home



JOHN M. THOMAS

John M. Thomas has resigned as vicepresident of the Fire Association of Philadelphia to become an executive of the Home of New York.

#### Southern Fire to Remove All Offices to New York

The Southern Fire has found it advisable to consolidate operation of departmental offices in one office in New York. On and after Sept. 29 the western department will be located at 59 Maiden Lane, New York, and all daily reports and correspondence will be mailed there.

The company states that in view of modern transportation, air mail and prompt telegraph service, being located in New York is really a matter of but a few minutes from the present location, and owing to the centralization of control over matters pertaining to the business, as well as being more accessible to the center of the fire insurance world, it is believed that agents will be served better than in the past.

The offices are being combined with the eastern department offices in the Home Insurance building. The Home recently gained control of the Southern, but the latter will be managed as an independent company, the announcement states. The Southern has offered to take all employes to New York who care to go. Henry A. Yates will continue as vice-president and western department manager, and Earl W. Thomas as assistant western manager.

as assistant western manager.

The intention is to remove the general offices of the Southern Fire from their present location, 111 John street, to the Home building, 59 Maiden Lane, the space vacated by the Southern Fire to be occupied by the Home Indemnity in conjunction with the Southern Surety. Under this arrangement the fire companies will all be housed under one roof and the casualty companies under another.

#### Skandia in Direct Field

NEW YORK, Sept. 10.—After operating in this country as a reinsurance office since 1900, the Skandia of Sweden on and after Oct. 1, will enter the direct writing field as a member of the Svea group of this city. Until now the Skandia served as treaty connection for the Royal, William Mackintosh, manager of the New York department of the latter company, being United States attorney, manager and attorney of the former as well. He will be succeeded in the Skandia connection by J. M. Wennstrom, manager of the Svea and president of the Hudson.

#### Commissioners' Committee Urges Investment Control

RESOLUTION READ BY BONEY

State Insurance Supervisors in Hartford Meeting Refer Matter for Consideration at New York

HARTFORD, CONN., Sept. 10.— Commissioner Boney of North Carolina, chairman committee on uniform laws and investments, National Convention of Insurance Commissioners, made a report at the Hartrord meeting this week, it being a resolution adopted by the committee. It was referred for consideration at the New York meeting in December.

The report is:

#### Text of Recommendation

"Whereas, the laws of the several states pertaining to the investments of the capital and legal reserves of life companies have in the opinion of the committee, been found adequate and satisfactory.

"Whereas, there is imperative need for companies, other than life, to maintain their assets in liquid and readily convertible form.

"Whereas, the laws of the several states as presently constituted respecting investments have been tested through conflagrations, as well as financial crises, without materially affecting the solvency of such companies.

"Whereas, any attempt to change materially the present investment laws of the several states under which the companies are organized and upon which their financial structure has been established might and probably would result in great confusion, if not financial loss

lished might and probably would result in great confusion, if not financial loss. "Whereas, circumstances may change and a rigid requirement for a given amount of investment in a certain class of security might, while desirable at one time, be entirely undesirable at another time.

#### Urge Preferred Securities

"Resolved, that the capital and surplus of an insurance company to the extent of the minimum capital and surplus required by law, and in the case of a life company the capital and legal reserves, should be invested only in preferred securities such as stocks or bonds of the United States or of any state, territory, or district of the United States, not estimated above their current market value, and the bonds of a county or incorporated city of any state, district or territory of the United States duly authorized to be issued by the legislature, not estimated above their current market value, or the bonds of mortgages on improved unincumbered real property not to exceed 50 percent of the conservative value of such real property.

#### Commend State Control

"The committee believes that the determination by the state of the general character of securities in which its domestic insurance companies of different types may invest their additional funds is commendable and has the approval of the committee, but foreign companies admitted in such states should be permitted to invest their funds in the class and character prescribed by the state of their incorporation, or, in the case of alien companies, in the state in which they are domesticated.

"It furthermore asserts that it is contrary to the best interest of policyholders and all concerned for a given state to select local securities and prefer by legislative compulsion or through coercion the investment of insurance companies' assets in such securities."

Colorado and Arizona are the most recent states to license the Home Indemnity of New York, casualty running mate of the Home.

#### Maconachy Vice-president of Fire Association Fleet

FORMER ASSOCIATE OF LANE

Election Follows Resignation of Walter
L. Maillot and John M. Thomas
from Official Staff

PHILADELPHIA, Sept. 10.—Directors of the Fire Association, Victory and Reliance, acting through a special committee under the chairmanship of William A. Law, announce that James G. Maconachy will join these companies as vice-president. He will be elected a director Friday and will take up his official duties immediately.

The action follows the resignations of Vice-presidents Walter L. Maillot and John M. Thomas

John M. Thomas.

For many years Mr. Maconachy and Otho E. Lane, recently elected president of the Fire Association, were officers of the Niagara Fire of New York. It is interesting to note that Mr. Macon-

cers of the Niagara Fire of New York. It is interesting to note that Mr. Maconachy, being a native Philadelphian, now returns as an executive officer to a company in which he started as an office boy, the Reliance having employed him as such during his early career.

Prior to his new work here, Mr.

as such during his early career.
Prior to his new work here, Mr.
Maconachy was secretary in charge of
underwriting in New York, New England and the middle states, including
Pennsylvania, for the Continental of the
America Fore fleet.

E. L. Kelly, for some time past secretary-treasurer of the Fire Association, is also understood to have resigned. Prior to joining the organization he represented the American Foreign Insurance Association in Japan. His earlier underwriting experience was gained in the southwestern field.

#### Cost Probe Points Need for Budgetary Control

NEW YORK, Sept. 10.—No feature of the proceedings of the National Convention of Insurance Commissioners, in session this week at Hartford, is creating as keen interest on the part of company executives as that of acquisition cost, and the decision of the state oficials on that question is being awaited with no little concern. As a committee of the convention pointed out several months ago, the manner in which the financial reports are prepared by the companies makes it "impossible to determine the principal source of increased expenses." The company which has a managerial expense analysis scientifically prepared is a rare exception. The great majority simply follow the general requirements of the annual statement blanks, which admittedly fail to supply detailed figures.

The need for real budgetary control and a clearly defined method whereby it may be had is set forth in a booklet recently prepared by Theodore L. Sogard, C. P. A., a representative of the accountancy and engineering firm of Scovell, Wellington & Co. of this city. Executive officers who have studied the plan give it high praise, feeling that it furnishes a practical method for arriving at cost methods in each department of a company's operations and enables comparison with previously prepared estimates.

#### Takes on Rhode Island

NEW YORK, Sept. 10.—To the already strong list of companies represented by the New York Binding Office, of which B. C. Scudder is manager, has been added the Rhode Island of Providence. The St. Paul Fire & Marine entered the office a few days ago, and the report is that still other strong companies will follow suit. The New York Binding Office was established in 1919.

## Mr. Agent meet Mr. Anyman —a prospect for many kinds of insurance

Perhaps Mr. Anyman doesn't own a business, nor even a home. He is still a prospect for many kinds of insurance.

As protection against the ever-present accident hazard, he needs... Personal Accident Insurance.

To protect his belongings on business and pleasure trips he needs... Tourist Baggage Insurance.

To overcome that golfer's "mental" accident-hazard he needs... Golfer's Full Coverage Insurance.

For his automobile, he needs full Automobile Insurance.

For his home (even though it is a rented property) he needs... Owners', Landlords', and Tenants' Public Liability, Residence Burglary and Fire Insurance on contents.

And finally, for such valuable possessions as musical instruments, paintings, jewelry, furs, etc., he needs... Musical Instruments, Fine Arts and Jewelry-Fur Floater Insurance.

Any man will thank you—after the loss—for your good judgment in urging these personal coverages. Your job is to convince him of their worth before the accident occurs.





## The Glens Falls Group Writes Them All

REMEMBER THIS: Your client is not properly insured unless he is fully insured.

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## The Books?

You may have observed the increasing frequency with which security prospectuses include some such phrase as this: "The value at which the properties are carried on our books of account is less than half that shown by an independent appraisal." The statement is significant. Rarely have accounting practices and policies been such as to make the accounts a true reflection of value. Whenever a client asks you to write insurance on the basis of his book values, call up our nearest representative. He can demonstrate the danger of relying upon books of account in determining insurable values.

## THE AMERICAN APPRAISAL **GOMPANY**

New York , Chicago , Milwaukee and Principal Cities

INTERNATIONAL ORGANIZATION



#### Bank Agency's Premiums Free from Creditors' Claims

MICHIGAN HIGH COURT RULES

Agent Receives Premiums in Trust and When Deposited, Are Not Property of Bank

The supreme court of Michigan has laid down an important decision for companies with bank agencies. Premiums deposited by a bank agency with that bank are exempt from claims of general creditors of the bank, according to the decision. The record of this case undoubtedly will be widely quoted in similar litigation in other states.

The Home of New York was victor in the action. Its agents, Frank F. Glerum and James L. Spencer, were copartners operating a private bank at Linden, Mich. The bank became insolvent and a bill was filed to wind up its affairs. A receiver was appointed. The Home filed an amended petition in the Genesee, Mich., county circuit court setting up that Glerum received the premiums belonging to the insurance company in a fiduciary capacity and held the funds in trust. The premiums deposited in the bank never became the property of the bank, according to the Home's brief, but remained the property of the insurance company. The bank held the funds in a fiduciary capacity as trustee for the Home and the deposits were not subject to the claims of general creditors of the bank. The Home asked that the receiver be directed to pay forthwith the premium money to the insurance company. The Genesee county circuit court denied the petition, but the supreme court affirmed it on appeal.

Rickerd Invites Local Agents

#### Rickerd Invites Local Agents

C. E. Rickerd, president of the Insur-

C. E. Rickerd, president of the Insurance Advertising Conference, has extended a special invitation to all insurance agents of the United States to attend the annual convention of the Insurance Advertising Conference at Milwaukee, Sept. 28-Oct. 1.

President Rickerd points out that while the convention is designed primarily to deal with insurance advertising problems, it is to be a gigantic "idea mart" where agents as well as advertising managers will be able to secure new, potent ideas on business building, the securing of good will, sales promotion and local advertising.

"Especially will agents be interested in attending the meetings of the life and the fire-casualty groups," President Rickerd says, "and it is at those sessions that we expect a record attendance of

the fire-casualty groups," President Rickerd says, "and it is at those sessions that we expect a record attendance of visiting agents."

#### Chicago Fire Officials Ask for \$5,670,000 Bond Issue

NATIONAL BOARD SURVEY OUT

Point to Obsolete Buildings 40 to 60 Years Old-Cover All Recommendations

A \$5,670,000 bond issue for modern housing and new equipment for the Chicago fire department was asked this week of the city government by Fire Commissioner A. W. Goodrich and Chief Fire Marshal M. J. Corrigan.

The request is based on the survey by the National Board which has just been completed. Every recommendation

been completed. Every recommendation in the inspection report is incorporated in the inspection report is incorporated in the bond issue program, which it is hoped may be placed on the December ballot. The fire officials declare Chicago's provision for its firemen is not in keeping with the three-year record of improvements and innovations in the department which has placed it in an outstanding position in the world.

#### Many Stations Obsolete

It is pointed out that some of the fire stations are from 40 to 60 years old, and that no method can be found of replac-ing these obsolete structures, of obtaining the required equipment and meeting other National Board recommendations except through the bond issue. The officials are confident that voters will

ratify it.
"Housing men in buildings not fit for "Housing men in buildings not fit for animals is not in accord with Chicago's proud boast of being the second greatest city in the United States," Commissioner Goodrich says, "nor is it economy to force firemen returning from battles with smoke and flames to suffer from exposure to an extent that they are laid up sick for weeks while their pay goes on as well as the pay of a substitute for the incapacitated."

#### Substance of Program

The chief's program calls for erection of 25 or 30 buildings under a single contract with unit design, a fire department headquarters building on the edge of the "loop" to house executive offices, fire companies, testing laboratories, fire prevention bureau, arson bureau and the fire

alarm office now in cramped quarters on the sixth floor of the city hall. Commissioner Goodrich says no de-partment in the city can tell instantly where its personnel of 2,600 men is at where its personner of 2,000 men is at any moment, nor is there any department that can furnish 40 to 50 ablebodies men for rescue work or to fight fires within a few minutes after an alarm is sounded by telephone or box.

Write for the **free booklet** "New Guide to Greater Profits." The National Un-derwriter.

## **NEWS OF THE COMPANIES**

NEW YORK, Sept. 10.—Directors of the City of New York Tuesday declared a stock dividend of 50 percent. Stockholders will consider the proposition at a special meeting to be held Oct. 15, and assuming, as may safely be done, that their endorsement is given, the dividend will be paid stockholders of record Nov. 1. When the contemplated action is taken the company will have capital of \$1,500,000, made up of 15,000 shares, par value \$100 each; surplus of \$2,385,259 and total assets of \$7,890,758. It is anticipated the present dividend rate of 16 percent will be continued and the new stock will par-

Stock Dividend Is Declared

Directors of City of New York Recommend 50 Per Cent Increase,
Making Capital \$1,500,000

NEW YORK, Sept. 10.—Directors of the City of New York Tuesday declared a stock dividend of 50 percent. Stockholders will consider the proposition at a special meeting to be held Oct. 15, and assuming, as may safely be done, that their endorsement is given.

#### Prevention Is **Costly Factor**

(CONTINUED FROM PAGE 5)

services rendered by insurance companies acting in unison, of which those rendered by the National Board form one but by no means the sole example, but even more perhaps to the costs of those cooperative and helpful services which are rendered to their policyhold-

which are rendered to their policyholders by the individual companies.
"In the fire insurance business, expense is dependent only in part on the volume of premiums written. Such items in the account as commissions and taxes, when they remain constant percentagewise, fluctuate in dollars and cents as the volume of premiums goes up or down, and in recent times there has been some increase in the ratio of commissions, but practically every item of expense that is not based on the premium necessarily mounts approximately in the ratio that the volume of the indemnity sold increases.

Expense Ratio Increases

"In other words, the expense ratio is to a considerable extent controlled by the volume of liability assumed and the number of policies issued, which means that a reduction in the average rate tends to bring about an increased expense ratio even though by extra zeal the actual premium income may be in-creased. This fact is too often lost sight of when the growing expense ratios of

or when the growing expense ratios or companies are discussed.

"Inasmuch as the value of insurable property in the United States grows by leaps and bounds, the companies are inevitably faced by a corresponding in-crease in the amount paid for preventive work, and this notwithstanding the large decrease in the average rate. If the rate remained stationary the ex-pense could be absorbed without in-crease in the cost ratio, but in the face of the reduction in the rate, these items of expense necessarily show an increas-

Must Prevent Fire Losses

"It is clear from what has been said "It is clear from what has been said that while the principal function of fire insurance companies is to furnish indemnity for losses insured against, a secondary and very important function is the prevention of losses. It may be assumed that although the majority of fire losses are caused by carelessness—which in an Utopia might be elminated—we shall always have fires for which indemnity must be forthcoming, but we probably shall see as time goes on a reduction in the destruction of values in proportion to the values existing at a in proportion to the values existing at a given time, coupled with some increase in the cost of prevention services and a steadily decreasing cost to the insuring public of these two functions.

#### Need to Revise Ideas

"If this is a correct forecast of what we may expect the future to bring forth, it is obviously necessary that there shall be a revision of old ideas as to the socalled expense cost of fire insurance, at least in so far as that cost is affected by

"So long as the cost of indemnity plus so long as the cost of indentity plus services decreases, the interest of the public is conserved, and although the contrary opinion may be held in some quarters, there is something to be said for low loss cost and somewhat higher expense as against higher loss cost and lower expense, especially, when the against higher loss cost and lower expense. lower expense, especially when the ag-gregate is lower in the first case than in the second. The two elements go hand

in hand.

"The extreme is exemplified in the business of boiler insurance. The company transacting the largest amount of that kind of insurance, and which is known as an inspection and insurance company (a name indicative of the importance of the preventive feature of its activities), devotes roughly four-fifths of its outgo to expense and one-fifth to indemnity."

#### Dunham Sees Year of Big Betterments in Insurance

CONTINUED FROM PAGE 5

show that they have actually declined in the face of increased expenses of doing business.

"Insurable property values are less today than they were a year ago, and the income of insurance companies is bound to feel the effects of such reduction. In common with nearly all other classes of business the insurance business must adapt itself to the economic condition which now exists. Economies must be practiced wherever possible in the interest of solvency and the public welfare.

"For the most part insurance agents, as a body, constitute the contact between the public and the companies. No matter how intelligent the business policy of the companies, no matter how well organized their service organiza-

tions, the body of insurance agents is the medium through which these busimess policies and programs of service must be interpreted to the public. It is of vital importance to the business of insurance that the high standards of agency representation be maintained unagency representation be maintained un-impaired, that the irresponsible and the incompetent be weeded out, that the agents as a body in the future as in the past, and to an ever increasing de-gree, shall be able to cooperate intelli-gently and effectively between the pub-lic and the insurers in extending to the public the benefits of all that is best and highest in the business of insurance

highest in the business of insurance.
"The insurance business has never been on such solid ground as now. It is such an important and essential part of the commercial and social structure of our country that it is impossible to conceive of the nation's doing without it. The growth of the insurance business has been and will be in direct ratio

to the growth of the country; and no one with even the slightest comprehension of America's resources and position in the world assumes that she has

in the world assumes that she has reached the peak of her development. To lack faith in the future of the insurance business is to lack faith in the future of the United States. For my part I prefer to say with the elder Morgan 'Don't be a bear on America.'

"There is no more effective way of hastening the return of prosperity than by hard work. This is not a time to sit in an office chair and bemoan the diminution of premium income. It offers a challenge to the energetic, optimistic insurance man to carry on and prove to himself and to the insurance world at large that insurance can be world at large that insurance can be sold in poor times as well as in boom

"This is also a good time for the in-surance business to make an inventory, to study its weak and strong points."



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age

## bit worried?

If you are a little worried about "these times" and reduced commissions, Mr. Agent, try recommending an appraisal to your clients and prospects.

Appraisals show 70 to 75% of all property is underinsured and you can generally increase your commissions by bringing the insurance requirements up to the necessary standard.

Your client regards an appraisal very highly because it gives him a complete, detailed and impartial report of his business. It discloses non-profitable operations and practices and enables the necessary money-saving restrictive measures to be adopted.

Insist upon a Lloyd-Thomas appraisal for your

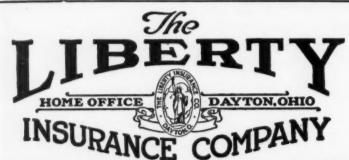
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Automobile Insurance—Full Coverage—All in One Policy Plate Glass and General Liability Insurance Assets Over 11/8 Million-Surplus to Policyholders \$600,000

anted in Alabams, Arkansas, California, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Michigan, Missouri, Ohie, Oklahoma, Tomnessee, Texas and Washington.

#### **Acquisition Cost Report** Given to Commissioners

#### (CONTINUED FROM PAGE 3)

convention may find upon occasion that it is necessary and desirable to attack the root of the excess commission evil by advocating reasonable and proper adjustments of rates. The recognition by insurance commissioners recognition by insurance commissioners vested with authority in the matter of fire insurance rates of the principle that commissions represent a vital element in the rate structure and that where excessive commissions are being paid the expense ratios are seriously affected, should result in the commission problem being approached from the standpoint of rate adequacy in so far as such point of rate adequacy in so far as such

point of rate adequacy in so far as such companies are concerned.

5. This committee urges the companies and the insurance commissioners in so far as it is within their power, to take steps towards the elimination of unnecessary and unqualified agents and brokers.

brokers.

6. Companies are urged to establish a reasonable differential or commissions between policy-writing and nonpolicy-writing agents.

#### CASUALTY CONCLUSIONS

"The conference on acquisition and field supervision cost for casualty insurance and fidelity and surety business are even today accomplishing much of the good work for which they were organized. It would appear, however, that the activities of certain newer companies and non-affiliated companies act-ing contrary to the rules of the confer-ences, coupled with the resentment and retaliation of the companies injured, may serve to gradually disintegrate these conferences

"Production costs in 1929 appear generally lower than they were prior to the organization of the conferences. Production costs generally since 1926 have proceeded to advance.

proceeded to advance.

"Advances in administration and other expenses may be due to some extent to the organization of new companies, but they give rise to the suspicion that they reflect concealed acquisition costs.

"The purpose of the various gradings of agents' commissions was to compensate on the basis of the character and extent of the services performed."

extent of the services performed.

#### Have Disregarded Intent

"This intent has largely been disregarded particularly by companies seeking to create an agency organization out of other companies' agency plants and the measure in making appointments has become the volume of business controlled.

This condition has produced a situation where the designation of general agent has no greater significance than that top commissions are paid.

"The business needs and wants the sort of regulation these conferences

sort of regulation these conferences provide.

"We are of the opinion, however, that at least during a period of serious competitive disturbances such as the business is now experiencing, these conferences must enjoy the full cooperation and support of the insurance commissioners in controlling recalcitrant members and unaffiliated companies bent on undermining the business. undermining the business.

#### Consider Switching Problem

"The commissioners might also ex-tend their aid to the conferences in amending their rules to curb the practice switching business at excess com-

"Unnecessary and unqualified agents business engaged in alienating existing business instead of devoting their energies to the development of new business are a dis-turbing influence to both companies and agents.

agents.

"Companies must establish higher standards for the appointment of agents if they wish to avoid the establishment of agents' qualification laws.

"Fidelity and surety business the bulk of which is concentrated in a smaller number of companies appears to be subject to the greatest disturbance at the

present time. The complaints of several prominent members of the surety conference against the practice of some companies appointing at top commis-sions agents whom they attempt to re-

sions agents whom they attempt to reduce to conference commissions of the lower grades, or to whom they are prohibited from paying higher commissions, appear well founded.

"The fact that the destructive competition of 1929 resulted in an underwriting loss in the heretofore highly profitable fidelity and surety business may act to curb the reckless conduct of some irresponsible officials.

"If it does not it may be necessary for the insurance commissioners to advocate the contract of the commissioners to advocate the commissioners are approximately commissioners."

"If it does not it may be necessary for the insurance commissioners to advo-cate state intervention for the protec-tion of the public.
"Competition for the more profitable classes of business has been especially keen. Of the 12 lines of business under conference regulation, the production costs for 1929 exceeded the allowed ratio

costs for 1929 exceeded the anowed ratio on seven lines.

"The first of these, strange to say, was workmen's compensation, on which the ratio of total production costs to direct premiums written was 18.1 per-cent as against a limitation of 17.5

percent.
"On surety business the ratio was 34 percent against a limitation of 30 per-

cent.
"On liability other than auto the ratio was 25.6 per cent against a limitation of 25 percent. "On plate glass the ratio was 35.2 per-

"On plate glass the ratio was 33.2 percent against a limitation of 35 percent.
"On burglary the ratio was 32.6 percent against a limitation of 30 percent.
"On automobile property damage and collision the ratios were 26.7 percent and 27.7 percent, respectively, against a limitation of 25 percent.

#### Only Three Favorable Lines

"Three of these lines produced favorable underwriting results in 1929. These were, liability other than auto, plate

glass, and burglary.
"Two of the lines, namely, automobile "Two of the lines, namely, automobile property damage and collision, produced a small underwriting profit, less, however, than that contemplated in the rate structure. If these two lines had been written within the maximum production cost allowed them, they would have produced an underwriting profit at least equal to that contemplated in the rating plan. plan.

plan.

"The remaining two lines, namely, workmen's compensation and surety business, produced an underwriting loss. The underwriting results for all lines of casualty and surety business transacted by stock companies in 1929 produced an underwriting loss, and it is the opinion of this committee that unless the efforts to improve unecommic conditions existor this committee that unless the efforts to improve uneconomic conditions existing in the business meet with success, the ultimate result must be either advances in premium levels or injury to the insurance companies, neither of which is desirable.

#### CASUALTY RECOMMENDATIONS

"This committee recommends that, wherever it is possible for them to do so, the commissioners extend their support to the conferences with a view to securing adherence to conference rules by all companies doing business in their states."

"It would seem desirable that the con-ference rules be supplemented with defi-nitions of the qualifications and serv-ices to be performed by all classes of agents who receive more than brokerage

agents who receive more than brokerage commissions and that a period of time be allowed during which existing agents should be required to conform. "Most of the criticism of the conference rules is directed against the agency limitation rules at higher commission grades. A study of the qualifications of agents for higher commission scales together with the particular problems of some of the companies, should produce results that would go a long way to relieve existing conditions. long way to relieve existing conditions.

## CONCLUSIONS AND FINAL RECOMMENDATIONS

"The defense of and justification for the commissions paid them was well made (by the agents and brokers). The

agents organizations made no attack agents organizations made no attack upon the underwriters associations, and it is fair to assume that they are not opposed to the principles of these. The problems with which agents have been confronted are quite serious.

confronted are quite serious.

'The increased sums expended by companies for business have probably not benefited the average agent. He has been confronted with an increase in new agents beyond the growth of new business, together with the competition of a large number of part-time agents, solicitors and non-policy-writing agents, and in metropolitan centers with armies of new brokers unworthy of the name.

#### Urge Reasonable Treatment

"No solution of the problems of ac-quistion cost can ignore the right of agents and brokers to fair and reason-

agents and brokers to fair and reasonable treatment.

"The since cooperation of the genuine agent and broker is much to be desired. This can perhaps be best obtained by the companies joining them in combating the evils of which they complain.

"The present competitive situation in the agency and brokerage field is serious and injures the American agency system to a great degree.

#### Final Conclusion

"Your committee has set forth the conditions as we have found them. Unconditions as we have found them. Un-less the companies representing the busi-ness described take steps to remedy what has been criticised we feel that super-vising officials will be met with a de-mand from the public that legislation be enacted to cure existing evils, which contingency would in our judgment be deplorable."

#### Wegmann Asks for Ruling on Laundry Package Charge

FIRE IS PRINCIPAL COVERAGE

Lafayette Fire President Says Flat Rate for Specific Packages Is Contrary to Law

NEW ORLEANS, Sept. 10.—John X. Wegmann, president X. Wegmann, president of the Lafay-ette Fire, in substantiation of the comette Fire, in substantiation of the com-plaint made by him that the practice of New Orleans laundry, dry cleaning, rug cleaning and storage companies in charging for insurance on specific pack-ages is contrary to the insurance laws of the state of Louisiana, has filed a complaint with the Louisiana insurance commission.

commission.

He suggests that the attorney-general pass on the subject, stating: "Laundry and dry cleaning companies make a specific charge of 1 cent for insurance on each package, irrespective of value. Rug cleaning and storage companies make a specific charge of 10 cents for insurance on each rug cleaned and on storage, irrespective of value. Their contention is that this coverage is marine insurance and beyond the jurisdiction of the commission. The only marine coverage involved is transportation to and from location to establishment and since this is an infinitesimal part of the contract our contention is that the principal coverage is against

And further, that the rate of insurance charged is in violation of the anti-discriminatory provision of Act No. 302 of 1926, Section 8, the charging of a marine rate on a fire risk.

"The assumption of fire risk liability by these corporations places them in the position of an insurance company. Act 105 of 1898 provides the manner in which the business of insurance can be transacted in this state and we submit that corporations who transact the business of insurance without complying with the provisions of that act are ing with the provisions of that act are doing so in violation thereof. If not classed as an insurance company, then classed as an insurance company, then we submit that corporations selling fire insurance through its officers and employees are in violation, not only of Act 302 of 1926 but also of sections 3 and 4 of Article III of Act No. 105 of 1898; and also sections 4 and 5 of Act 167 of 1902, Resident Agents Law.

#### Worthy of Consideration

"The question involves more than the anti-discrimination laws. It involves the right of these corporations under their charter to engage in the business of insurance. It involves, as well, the question of whether or not ness of insurance. It involves, as well, the question of whether or not they are legally authorized to either engage in the business of insurance or aid in the transaction of the business of insurance. We believe the subject mat-ter one worthy of serious consideration by your honorable body to the extent, if you deem it necessary, and we respect-fully suggest, of asking for a ruling from the attorney-general on the points involved."

mal part of the contract our contention is that the principal coverage is against loss or damage by fire and the matter does come within your jurisdiction.

"The Appraisers and Assessors Manual" by Prouty, Collins & Prouty, handbook of taxation and valuation, is sold by The National Underwriter, price \$5.

### On Governing Board



ALEX COWAN

Alex Cowan of Port Huron, one of Michigan's live wire agents, was elected to the governing committee of the Michigan association at its annual meeting.

the United States. It is anticipated that a portion or all of the following com-mittees will hold meetings at the National Chamber the preceding day: Manufac-turers, fire service extension, fire casualty statistics, contest, speakers and information and publications committees.

Read The National Underwriter regu-larly. Subscribe for a personal copy.





4,000,000 CAPITAL

\$16,802,949 POLICYHOLDERS' SURPLUS

\$23,703,714 ASSETS

The HANOVER FIRE INSURANCE COMPANY of New York Charles W. Higley, Pres.

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### CHANGES IN THE FIELD

Providence Washington Transfers Da kota Field Man to Assist O. E. Green -Succeeded by L. C. Johnson

The Providence Washington's west-ern department has appointed H. A. Pfister special agent in Indiana and Kentucky. He will be associated with Kentucky. He will be associated with O. E. Green, who has been made state agent. Mr. Pfister has been a state agent in the Dakotas and will be succeeded by Louis C. Johnson, who will be located in Aberdeen, S. D., in the Capitol building. Mr. Pfister gained his early training in the western department's office and has been a representative for seven years in North and South tive for seven years in North and South Dakota. He will be located with Mr. Green at 703 Lemcke building, Indian-

Johnson is a graduate of the Northwestern university insurance course and has been in the western department's office for five years.

#### H. P. Latham, H. C. Tate

The Aetna has appointed Henry P. Latham to succeed the late James F. Warren as state agent for Arkansas. Mr. Latham has served as special agent in Arkansas for several years.

H. C. Tate is appointed as special agent to succeed Mr. Latham. Mr. Tate is a native of North Carolina. Since graduating from the North Carolina State College he has been at the home office in various branches. Charles R. Holland will continue as special agent for the farm department.

#### Fred A. Kiser

Fred A. Kiser has resigned as special agent of the National Liberty in Indiana to take a similar position with the Cosmopolitan Fire of New York.

#### Charles O. Markle

Charles O. Markle becomes special agent of the Great American and the American National of Columbus in western Pennsylvania with offices at 505 Commonwealth building, Pittsburgh. He succeeds Special Agent Fred A. Ulam resigned.

Pfister Goes to Indiana field as special for the Rochester American and the County Fire of the Great American fleet.

#### George H. Martin, Walter A. Clark

George H. Martin, special agent of ne New York Underwriters, has been George H. Martin, special agent of the New York Underwriters, has been promoted to state agent to succeed the late Herbert D. Jones in New Jersey. Mr. Martin has been Mr. Jones' assist-ant in the state for several years. Wal-ter J. Clark of the home office staff, who has been handling the field during Mr. Jones' illness, has been appointed special agent there.

#### A. M. Wood

A. M. Wood, who resigned recently A. M. Wood, who resigned recently as state agent for Corroon & Reynolds in the mountain field, has become state agent there for Firemen's group. His new appointment came following a recent visit to Denver by Fred W. Sullivan of Chicago, assistant manager of the Firemen's. He succeeds G. W. Mc-Firemen's. He succeeds G. W. Mc-Donald, who resigned recently to go with the Lamey general agency in Den-

wer.

Mr. Wood will have the Firemen's,
Mechanics, Superior and Pittsburgh Underwriters, while Lawrence A. Wilson
will look after the Girard, National-Ben
Franklin, Concordia, Milwaukee Mechanics and Capitol. chanics and Capitol.

#### Paul R. Lorey

Paul R. Lorey has been appointed state agent of the Central Fire of Baltimore for Ohio with offices at 203 Hart-man building, Columbus, O. Mr. Lorey man building, Columbus, O. Mr. Lorey is well acquainted throughout the state, having been in that field for some time, although more recently he has been in Iowa. Ohio is being handled direct from the home office in Baltimore, the other states in Western Underwriters Association territory being handled by the western descriptory. dled by the western department at 209 West Jackson boulevard, Chicago.

#### V. J. Robinson

agent of the Great American and the American National of Columbus in western Pennsylvania with offices at 505 Commonwealth building, Pittsburgh. He succeeds Special Agent Fred A. Ulam, resigned.

Mr. Markle has been traveling the same

### Time to Contest Ruling on Rates

(CONTINUED FROM PAGE 4)

rates cannot be. It is almost axiomatic that legislative power to fix rates carries with it the implication that the rates must be just and reasonable; that is to say, they must not be confiscatory."

Mr. Powell gives his opinion that because of official attitude and rulings in Oklahoma Nebracka Kangas Missouri

Oklahoma, Nebraska, Kansas, Missouri and Mississippi, it appears to him at least "contributory negligence" for carriers to operate in these states, and there are some other states which might be included, he says.

#### Silence Gives Consent

He relays a statement attributed to a former member of the Mississippi su-preme court that there was a legal maxim controlling most insurance cases there, to the effect that if a carrier said anything it constituted a waiver or an estoppel, and on the other hand, silence

estoppel, and on the other hand, silence gives consent.

Mr. Powell discusses first principles in going about an attack on action of state authority in making a rate, item No. 1, he says, being choice of courts. Federal courts usually are preferred as they have wide powers and in case of emergency can give relief.

#### National Board Executives Meet With Lumber Leaders

A standing committee of fire executives in the National Board has been appointed to represent fire insurance and meet with a similar group representing the lumber industry, it is announced by W. E. Mallalieu, general warranger National Board. The commit manager National Board. The commit-tee is the outgrowth of a meeting held May 6, at which problems jointly af-fecting the two industries were dis-cussed. Both committees will be advised and helped by subordinate com-mittees of experts on technical matters.

The insurance committee is composed of B. M. Culver, America Fore fleet, fire prevention and engineering standards committee, National Board; W. T. Cartlidge, London & Liverpool & Globe, member of this committee; John M. Thomas, Fire Association, chairman Thomas, public relations committee National Board; F. D. Layton, National of Hartford, member of this latter committee, and Victor Roth, Security of New Haven, chairman construction of buildings committee, National Board.

"The Appraisers and Assessors Man-ual" by Prouty, Collins & Prouty, hand-book of taxation and valuation, is sold by The National Underwriter, price \$5.

A fire loss in South Africa - settlement negotiations completed at home.



NE of the many advantages of an American foreign insurance policy is the speed with which settlement negotiations, in case of loss, are completed.

To your clients with holdings in the foreign field, accustomed to the efficiency and convenience of American insurance methods, convenience both in placing insurance and expediting settlements is of prime importance.

Years of development of A. I. U. foreign facilities has finally resulted in the organization of an efficient and welltrained staff of representatives extending throughout practically every country into which American foreign trade has penetrated.

This world-wide staff is placed at the service of both you and your clients. Why not allow the A. I. U. services to relieve you of the long distance negotiations which have been customarily handled by you in placing foreign in-surance?

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80 WILLIAM ST. NEW YORK JOHN 5477

## AS SEEN FROM CHICAGO

#### NEW CHICAGO DIRECTORY

THE NATIONAL UNDERWRITER has gotten out the 1930 edition of the Chicago Insurance Directory which is the recognized reference book for Chicago and Cook county. This is the 17th annual edition. It gives full information regarding agents and companies, brokers, general agents, special agents and the like. It is a complete compendium of information insurance-wise.

#### NON-POLICY-WRITING AGENTS

Non-Policy-Writing Agents

There is a general impression that following the conference of the western conference committee of the National Association of Local Agents and the governing committee of the Western Underwriters Association, there will be a change in the suggestion to be made by the latter in its report to the Toronto meeting on commissions for non-policy-writing agents. The governing committee at first stated it would recommend that non-policy-writing agents be paid 5 percent less than policy-writing agents. The policy-writing agents or paid 5 percent less than policy-writing agents. The policy-writing agents or those represented by the western conference committee felt that this was not a sufficient differential. The governing committee has been pondering over the matter and it is understood it will recommend that the differential of 5 percent prevail on 15 percent business and that 10 percent differential he aland that 10 percent differential be allowed in the upper brackets.

#### MUCH LITERATURE AVAILABLE

The committee on publicity and edu-cation of the Western Underwriters As-sociation and the Western Insurance Bureau has been receiving frequent calls for fire prevention literature for distri-bution at booths maintained by state fair officials and insurance agencies at state and county fairs. It has available a number of articles dealing with fires a number of articles dealing with fires on the farm, domestic fire hazards, shingle roof fires and general arguments for the reduction of the preventable fire waste, which are available for the use of agents or others operating such booths at their local fairs. The committee also has a number of articles suitable for distribution in connection with the observance of fire prevention week, which comes next month.

\* \* \*

break even this year. A member of the firm in one large agency without ac-tually totaling the amount of premiums involved estimates that approximately 20 percent of the business is being caninvolved estimates that approximately 20 percent of the business is being canceled at expiration at the present time. He ascribed this directly to the effect of the stock crash, bringing in its wake tighter money and lower stocks of goods in wholesale and retail business. This same agency only about two months ago reported that it had shown an excellent increase in premiums for six months despite the general slump in premiums, but now it is feeling the reaction very keenly. Although the practice is unethical, it is understood that a number of agencies, in desperation, are holding much of this shaky business on the books when cancellation is asked by rerating, paying the earned premium and carrying the risk for an additional 60 days. By this practice, which can be continued indefinitely, some agents are tiding over their clients who are having hard financial sledding, in the hope that they will get on their feet again and be able to carry their full lines as before. lines as before.

#### SHOW SALVAGE FILMS

There will be a private exhibition and first showing in Chicago of the talking motion picture "The Municipal Salvage Man" at the Monroe theater, at 10 a. m., Sept. 13, Ernest Palmer, manager of the Chicago Board, announces. The picture is sponsored by the International Association of Fire Chiefs and is issued with cooperation and financial support of the National Board. Chief McAuliffe of the Chicago fire insurance McAuliffe of the Chicago fire insurance patrol; Chief Conway of the Cincinnati salvage corps and Chief Scott of the Los Angeles fire department play principal roles. The film depicts different cipal roles. The film depicts different types of buildings and salvage work therein under actual fire conditions. All

interested persons are invited. W. E. Mallalieu, general manager National Board, will arrive in Chicago Saturday to witness the showing of the film. The picture was first shown this week in Winnipeg as a feature of the convention of fire chiefs there. The talkie is part of the National Board's  Tested By the Fires of Two Centuries



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CHRIS D. SHEFFE, Assistant Manager

TWO HUNDRED AND TEN YEARS OF HONORABLE DEALING WITH AGENT. POLICYHOLDER, AND COMPETITOR

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Sept



The losses resulting from fire interrupting the normal conduct of business can be insured.

REPUBLIC

## NOTHING MYSTERIOUS ABOUT IT

USE AND OCCUPANCY INSUR-ANCE is intended to reimburse the assured for just such losses. We have prepared a single page description telling the story just as you would if you were talking to a prospect. It is yours on request.

THE CONNECTICUT FIRE INSURANCE COMPANY,

HARTFORD, CONNECTICUT. to New York from a trip through the Panama canal to San Francisco.

#### FIELD CLUB RESUMES

Ross Whitney of Green, Whitney & Miller, automobile adjusters in the Insurance Exchange, told of "Experiences in Adjusting Automobile Losses" at the first 1all meeting of the Cook County Field Club, Monday. He mentioned specific losses in Adjusting Automobile Losses cific losses in which insureds had tried to take advantage of the companies. In one prominent case, he said, his office one prominent case, he said, his office was forced to employ detectives to trail the insured and he said there were several convictions. President D. A. Bickheart of the club presided, having just heart of the club presided, having just returned from a vacation in the north woods. C. C. Hatcher, Jr., secretary, also was on the job. The attendance was small due to the fact that many members were away on vacations. The meetings will be continued throughout winter the second Monday in each month.

#### INSURANCE STOCK COMMENT

Commenting on the insurance stock market situation, Howard W. Cornelius of H. W. Cornelius & Co. of Chicago

says:
"The insurance stock market held very firm throughout the week and the volume of trading was small. The majority of the list showed a strong undertone and there were a number of issues which sold higher. The most advances that took place were registered in the high-priced stocks. The advance in the stocks on the big board and also the gains that were made in the bank stocks, helped to contribute to the strength in insurance stocks. The offerings of the high-priced stocks were scarce and when a sizable buying order appeared, it was necessary to reach up for the stock in order to fill an order."

The comparison in bid prices quoted below shows market changes in a few of the more active representative issues:

	Sept. 2	Sept. 9	Change
American Surety .		114	12
Boston Insurance.		660	1.15
City of N. Y	530	550	20
Conn. Gen. Life	140	145	+5
Globe & Rutgers	930	950	+20
Prov. Wash	62	64	+2
Travelers Ins	1325	1360	35
de	also also		

#### CHIEF MCAULIFFE MARRIES

Chief Frank C. McAuliffe of the Chicago fire insurance patrol married his secretary, Miss Helen Trautman, last Saturday. They left for Winnipeg, Con., immediately after the ceremony on a combined honeymoon and trip to attend the fire chiefs' convention of North America there.

#### CHORAL CLUB ACTIVE

The Insurance Choral Club in Chicago is now in full swing. The organicago is now in full swing. The organization now numbers nearly 100 and a drive for 200 more members is being made. It is hoped the Insurance Choral Club will be able to take part in the musical program of the World's Fair in 1933. In the meantime musical programs will be offered various insurance groups who have meetings and conventions in Chicago.

tions in Chicago.
J. G. Grabau, the director, J. G. Grabau, the director, is well known in musical circles in Chicago. Willard L. Wesner, assistant manager of the accident and health department of the Commercial Casualty, is the accompanist. Miss N. M. Roseboom is president of the club. She has been with the Home of New York for 17 years and has been active in Chicago musical circles. E. J. Brink, manager

of the New Century Casualty's burglary department, is vice-president of the club. R. S. Cain, of Miller & Miller general agency of the Pacific Mutual Life, is its treasurer, and Genevieve Brown of the Fort Dearborn is secre-tary. All have had considerable experience in musical work,

The Cook county department of the Girard Fire & Marine has moved to A-1545 Insurance Exchange, Chicago, Frank P. Leonard is Cook county manager. F. J. Papszycki and A. H. Bertram are Cook county specials and D. F. Spencer is engineer and inspector. Albert J. Eaton is office manager.

\* \* \*

#### General of Seattle Named by Error as Fleet Carrier

T. R. Weddell of the "Insurance Field" was quoted in THE NATIONAL UNDERWRITER of Aug. 28 as stating that the general of Seattle is the company insuring the Western Electric Com-

the general of Seattle is the company insuring the Western Electric Company's automobile fleet covering privately owned cars. Mr. Weddell is quoted as having made that statement at the meeting of the Minnesota Association of Insurance Agents at Duluth. President H. K. Dent of the General of Seattle issued a statement: "We have no participation of any nature in Western Electric Company fleet business nor any knowledge whatsoever of same having ever been entertained by our company and we are opposed to this practice."

company and we are opposed to this practice."

Mr. Weddell explains that he was misquoted. The General Accident of Philadelphia was the carrier named by Mr. Weddell as insurer of the Western Electric fleet. The correspondent for The National Underwriter apparently was confused by the similarity in name of the two companies. of the two companies.

#### Enholm With National American

Hugo T. Enholm is now associated with the National American Fire of Omaha. He will have charge of the automobile department and will handle adjustments in Omaha. For 10 years he was with the National Security Fire of Omaha, dividing his time as an underwriters in the home office and special agent in Nebraska.

"Your Opportunity to Earn More," a free booklet for A&H men. Write The National Underwriter, Cincinnati.

Executive, 42, pleasing personality, active, healthy, aggressive, ambitious, high-grade office and sales organizer; through financial reverses two years ago resorted to insurance and since did field work for one of largest well-move companies; and now masters known companies; and now masters every phase of business and likes it, desires executive position with some progressive organization which can use the extensive business knowledge and experience of an unusual man, whose income should be \$10,000 p. a. and over. Correspondence to X. W., 363 Diamond Street, San Francisco, California.

#### Minnesota Local Agency

is contemplating organizing General Agency. Will entertain propositions from either Association or Non affiliated Com-panies. Those interested address R-38, The National Underwriter.

#### WANTED—INLAND MARINE UNDERWRITER

Man not under thirty (open subject) with experience in handling of lines of Inland Marine Insurance, including transportation floaters, trip transit, parcel post, jewelers floaters, aircraft, and other miscellaneous lines. Must be fully equipped to organize and take full supervision under Company Manager of Inland Marine Department, including some traveling necessary to educate branch offices, fieldmen and general agencies in the class and generally to develop production. Excellent opportunity for man knowing his business and who will work. No lame ducks, discards, nor loafers wanted. The subject of salary is left open but for the right man we will expect to pay what any other Company would be called upon to pay under similar circumstances. Address R46, The National Underwriter.

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## VIEWED FROM NEW YORK

#### AMERICAN'S PAPER REDRESSED

The American of Newark The American of Newark group brings out in new typographical form its house organ called "American Service." H. E. Taylor, head of the advertising department, has studied layout, attractive display of matter, impressive type, artistic illustrations, graphic display and form. The new dress is most impressive. Allied with the American are the Columbia Fire of Dayton, O., Dixie Fire of Greensboro and Bankers Indemnity. group

#### NORTH AMERICA APPOINTMENTS

The North America announces the appointment of Charles H. Wood, succeeding the late Charles F. Enderly as manager, and of Clifford H. Weston as assistant manager of its metropolitan department in New York. Mr. Wood has been with North America since 1920, serving first as special agent in the field and from the department's inauguration as assistant manager of the metropolitan department. Mr. Weston has been with North America since 1918, and was associated with Mr. Enderly in the brokerage and service department, of which he is now manager.

#### AID TO FIRE PREVENTION

AID TO FIRE PREVENTION

In furtherance of fire prevention week, Oct. 5-11, the National Fire Protection Association has prepared a remarkably forceful fire prevention week supplement to its handbook. The supplement contains statistics of the death toll and property damage loss in fires and points out by graphic examples what the loss represents. The pamphlet furthermore points out that insurance companies have no secret source of income by which they can bear the fire losses, but that they are merely the collectors and distributors and the loss falls on everyone in the nation.

A number of articles are included, among them "Fire Losses Can Be Immediately Reduced," by H. L. Miner, manager safety and fire protection division, DuPont & Co.; "Fire Prevention in Philadelphia," by George W. Elliott, general secretary Philadelphia Chamber of Commerce; "The Abatement of Old Building Hazards," by Clare A. Lee, commissioner of Oregon, and "Fire Is an Ever Present Menace on the Farm," by Tom L. Wheeler, editor "The In-

diana Farmer's Guide." The pamphlet was prepared to provide speakers on fire prevention topics with ideas and suggestions

#### SCOTTISH UNION OFFICIALS ON TOUR

A distinguished party of Scottish Union & National officials with their guests arrived in New York Sept. 5 on the "Aquitania" and will tour the United States and Canada from coast to coast in the next two months. Among those on the trip are the Earl of Mar and Kellie, K. P., chairman of the board of the Scottish Union & National; the of the Scottish Union & National; the Countess of Mar and Kellie, and James Allan Cook, a director, all of Edinburgh. The three will join James Gibson Nicoll, general manager of the Scottish Visualis and about their visualis and about the statement of the Scottish and their visualis and about their visualis and about their visualis and about their visualis and about their visualis and visualis an tish Union; Mrs. Nicoll and their daughter, together with Mr. and Mrs. J. H. Vreeland of Hartford on the two months' tour.

#### BROKERS' ASSOCIATION MEETS

Members of the General Brokers' Association of the Metropolitan District held their first meeting of the season Wednesday.

#### MISS HUFF ENGAGED

Mr. and Mrs. Perez Huff have an-Mr. and Mrs. Perez Full have announced the engagement of their daughter, Miss Emily A. Huff, to Allan L. Harris of New York. Mr. Huff is a well known figure in metropolitan insurance circles, being president of the P. F. Huff Underwriters, Inc.

#### \* \* \* MISS FRELINGHUYSEN TO WED

Former United States Senator and Mrs. Joseph S. Frelinghuysen of New Jersey announce the engagement of their daughter, Miss Emily Frelinghuysen, to H. Edward Bilkey, Mr. Frelinghuysen is president of the Stuyvesant and Mr. Bilkey its vice-president.

#### Home Leaves Cuban Board

NEW YORK, Sept. 10.-After 11 years of patient operation in Cuba, the Home of New York has withdrawn from membership in the governing fire insurance organization of the island, and henceforward will protect its interests, which have been severely infringed

## INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle St., Chicago, as of Sept.

			Div.				Div.
			per				per
Stock Par	Bld	Asked	Share	Stock Par	Bid A	sked	Share
Abra. Lincoln L. 20	38		1.20	Homestead 10	19	21	1.00
Aetna Cas. & S 10	130	135	1.60	Independ. Indem 5	9	11	
Aetna Fire 10	62	65	2.00	Independ. Fire 5	7	9	
Aetna Life 10	82	85	1.20	Ins. Co. of N. A., 10	62	63	*2.00
Agricultural 25	108	115	4.00	I. Co. of N. A. Rts	2 %	3	
Amer. Alliance 10	29	31	1.60	Lincoln Fire, N. Y. 10	34	38	2.40
Amer. Equitable 5	17	20	1.20	Lincoln Nat. Life. 10	97	101	2.50
American 5	19	201/2	1.00	Merchants, Com., 10	73	77	
Amer. Surety 25	114	118	6.00	Merchants, Pfd 100	110		7.00
Automobile 10	37	40	1.20	Merch. & Mfrs 5	17	20	1.00
Balto. American 5	19	21	.80	Metropolitan, Ill., 10	8	11	1.00
Boston100	679	700	16.00	National Cas 10	20	22	1.20
Brooklyn 5	18	20	1.20	National, Conn 10	69	71	2.00
C2 11 10	28	30		National Liberty 5	111/2	121/2	
	50	30	1.50	National Union 100	225	235	12.00
Central West Cas. 50	550	E7:	16.00	National Surety 50	77	78	5.00
City of N. Y100 Continental Assur. 10	60	575 62	2.00	New Century Cas. 50	75		6.00
Continental Assur. 10 Continental Cas 10	38	40	1.60	New Hampshire 10	54	57	*1.60
Continental Ins 10	58	59		New York Fire 5	16	18	1.20
			2.40	Northern, N. Y 25	89	96	4.00
Detroit Fid. & S 50	30	40	4.00	North River 10	51	54	2.00
Detroit Natl 25	24	30	1.25	N. W. National 25	105	120	*5.00
Federal, N. J 10	63	67	2.00	Occidental 10	22	24	
Fidelity & Dep 50	169	172	9.00	Philadel. Natl 10	15	18	1.20
Fidelity-Phenix 10	62	63	2.60	Phoenix, Conn 10	84	87	2.00
Fire Association 10	26	28	1.60	Preferred Acci 20	60	64	3.00
Fireman's Fund 25	94	97	5.00	Prov. Wash 10	64	66	2.20
Firemen's 10	34	36	2.20	Reliance 10	14 1/2	161/2	
Franklin 5	30	32	***	Republic 10	20	24	2.00
Glens Falls 10	53	55	1.60	Rhode Island 10	27	30	1.20
Globe & Rutgers. 100	950	970	24.00	Rossia 10	31	32	2.20
Great Am. Indem. 10	28	32		Security, Conn 10	35	38	1.40
Great American 10	31	33	1.60	Springfield 25	131	137	4.50
Halifax Fire 10	23	25	1.00	St. Paul F. & M 25	184	192	*5.00
Hanover 10	43	45	1.60	Stuyvesant 25	52	60	2.00
Harmonia 10	27	29	1.50	Travelers100	1360	1390	24.00
Hartford Fire 10	73	75	2.00	U. S. Casualty 25	63	68	4.00
Htfd. St. Boiler 10	66	68	1.60	Westchester 10	51	54	2.50
Home, N. Y 10	41	4.3	2.00				

Home Fire Sec... 10 19 21 1.00 \*Extra dividend paid.



Does the Paymaster Robbery Policy cover other than payroll funds?

This policy covers up to 10% of the amount of payroll insurance on other funds such as petty cash needed for factories, industrial plants, etc.

Great American Indemnity Company CASUALTY New Hork SURETY We'll gladly answer your questions

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THE AMERICAN NATIONAL FIRE INSURANCE COMPANY

Columbus, Ohio

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## THE NATIONAL UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago Cincinnati and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice-President and General Manager; NORA VINCENT PAUL, Vice-President; WILLIAM A. SCANLON, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers

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42 Clinton Ave.. E. Weymouth, Mass,
J. M. DEMPSEY, Resident Manager

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### Some Suggestions for Conventions

organized, has many meetings, conven- DUNHAM makes in the thought of having tions and banquets. SETH DUNHAM, while conventions more interesting and valuable: writing in the spirit of levity about "I know what's wrong with conventions," at the same time gave some excellent advice subject that was intended to stimulate convention officials. one's risibilities. Convention makers, those who get up the programs and see that they as possible. are carried through, have some responsibility to the downtrodden, faithful people who sit in the chairs and try to count the number of remaining sheets that a speaker queting them. has to get off when he holds his manuscript in his hand.

The audience has to suffer a lot. Frequently they are in agony. Many speakers to do. wait until the last moment before con-

THE insurance business is very highly are some of the suggestions that MR.

Book only speakers who know the subject in which delegates are interested.

Compel speakers to prepare their talks beneath the humorous treatment of the well in advance, after consultation with

Prohibit the reading of papers in so far

Limit speakers to twenty minutes and stop them at the end of that time.

Try feeding delegates instead of ban-

Get as many different individuals to participate in your programs as possible.

Find something new for the women

Summarize your high points in a brief structing some sort of an address that booklet and deliver it to the delegate at they are expected to give. Then it is crude, home so he may get a cross section of your gotten up hastily and does not have the convention in the cool of the evening when finish or profundity that it deserves. Here his feet are not tired.

## Letting a Prospect Get Cold

ONE of the sales organizations in tain things which will at least prove the field selling goods found that many applications were not secured because him sell you his."

made and one's interest has been secured at least to a certain extent, the prospect is in a mood to do something if he ever is. If it is necessary to return his ardor has cooled and the canvass will have to be renewed. The story then becomes somewhat old. The sales manager says further:

"Make up your mind when you call upon a man to get him to do the thing preliminary call, get him to admit cer- the prospect to do enough.

speaking to its own men says that its you have accomplished a purpose. If sales manager in analyzing the men in you want an order, get it. Don't be satisfied with an excuse or a request to call back in a day or so, or to leave a the men were "too nice." The sales booklet, or some similar stall. The manager said: "Instead of going in and sales world is full of engaging men who selling a man your proposition, you let have a pleasant personality and are good talkers. The pearl of great price is a When a thorough canvass has been man who can finish what he starts.'

COLEMAN Cox said the other day that the best way to get the attention of a prospective buyer is to give him yours for it. Sometimes an agent monopolizes the time and does not listen sufficently to the prospect to see what his background is and his wants really are. There is many an insurance sale that has been knocked out by the agent dowhich you wish him to do. If it is a ing too much talking and not allowing

#### PERSONAL SIDE OF BUSINESS

Thrasher Hall of Chicago, veteran adjuster, will celebrate his 70th birthday anniversary next Sunday. Mr. Hall through physical disability is not able to get around very much but does his work at home. He has been in Chicago since 1906, engaged in loss adjusting. He has written a number of books on losses, some of which are used as textbooks. Mr. Hall is a native of Kentucky but went to Galveston when he was 11 years of age. He was local and general agent of the Fire Association and Western of Toronto, which at that time were nonboard comwhich at that time were nonboard companies.

During his 55 years connection with the St. Paul Fire & Marine, John Mc-Clure rendered most able and intelligent service. He is retiring after this long period of continuous work. He started with the St. Paul in 1874 as general utility clerk. He served successfully in the marine and auditing departments and in 1884 was sent into the partments and in 1884 was sent into the field. In more recent years he has been general adjuster. His son, W. D. McClure, Joliet, Ill., is special agent of the Stuyvesant.

W. A. Miles, Miles & Miles, Illinois general agents of the Union Automobile of Los Angeles, left Chicago for the home office this week to attend the first general agency conference Sept. 10-16. Seventeen other general agents throughout the United States are attending. Mr. Miles will remain in California three weeks, taking a vacation before returning home.

The friends of Charles W. Good, Illinois state agent of the London & Lancashire, have been having considerable amusement with him since James B. Kemp and Charles W. Good were arrested in St. Louis on charge of using the mails to defraud following complaints that they had sold \$28,000 of stock in an unincorporated insurance company. The Charles W. of Illinois, being an upright and honest character, shines with a bright light, regardless of his Missouri namesake. Charles W. Good of Illinois is one of the veteran field men who is held in high esteem.

About forty members of the Nebraska Blue Goose gathered at Omaha recently for a dinner given in honor of Fred Wolf, state agent for the New York Underwriters in Nebraska for the past five years, who goes to eastern Ohio with headquarters at Cleveland, for the same company.

Earl Crellin acted as toastmaster. Short talks were made by John F. Dale, William Lyle, Gus Wise, Charles U. Hendrickson and other field men, as well as by Merle C. Rathburn and Sam Waugh of the First Trust Company of Lincoln and Ray Stryker of the George & Co. agency of Omaha.

As a token of esteem, a beautiful Oxford bag was presented to Mr. Wolf, who acknowledged the gift with a few heartfelt and well chosen words.

Mr. Wolf has been active in the Blue Goose, Nebraska Fire Prevention Association and the Nebraska Fire Underwriters Club. About forty members of the Nebraska

writers Club.

C. W. Voellger, West Virginia state agent for the Wheeling Fire, died at his home in Springdale last week after an illness of three months. He was 52 years old.

Leroy H. Bovee, special agent for the North British fleet in the San Joaquin valley and California coast north of San Luis Obispo, died suddenly at his home from a stroke of apoplexy. He had been with that company since 1922, prior to which he was with the Geo. H. Tyson agency. He was in his late 40s at the time of his death and had spent practi-

Guy R. Farris of the Durham & Farris agency, Conway, Ark., former president of the Arkansas Association of Insurance Agents, was defeated by his brother, Frank Farris, a banker there, for medalist honors in the tournament of the Arkansas Valley Golf Association. The insurance man lost on the 18th hole by one stroke. The brothers won in the quarter and semi-finals to enter as opponents in the championship flight.

B. M. Culver, vice-president America Fore fleet, and Mrs. Culver have re-turned from a vacation in Europe.

Frank E. Burke, vice-president Home of New York, and Mrs. Burke have just returned from a European trip and Mr. Burke is back at his desk. They spent some time in Germany.

Norman Blondell and his brother, D. Norman Blondell and his brother, D. H. Blondell, public adjusters of Chicago, had a narrow escape when the Blondell's sailing yacht, "Mildred II," caught fire off the Chicago shore in Lake Michigan. The fire started when a kerosene lamp in the cabin overturned showering the interior of the boat with blazing oil. The fire gained such headway that the Blondells were forced to abandon the boat for a dinghy towed behind. They were brought to shore by a sloop cruising nearby.

nearby.

In fighting the flames Norman Blondell sustained injuries to one hand.

President C. W. Higley of the Han-over has returned to New York after a two weeks' business trip to Los An-geles. Mr. Higley stopped at the Han-over's western office en route. He will attend the meeting of the Western Un-derwriters Association at Toronto.

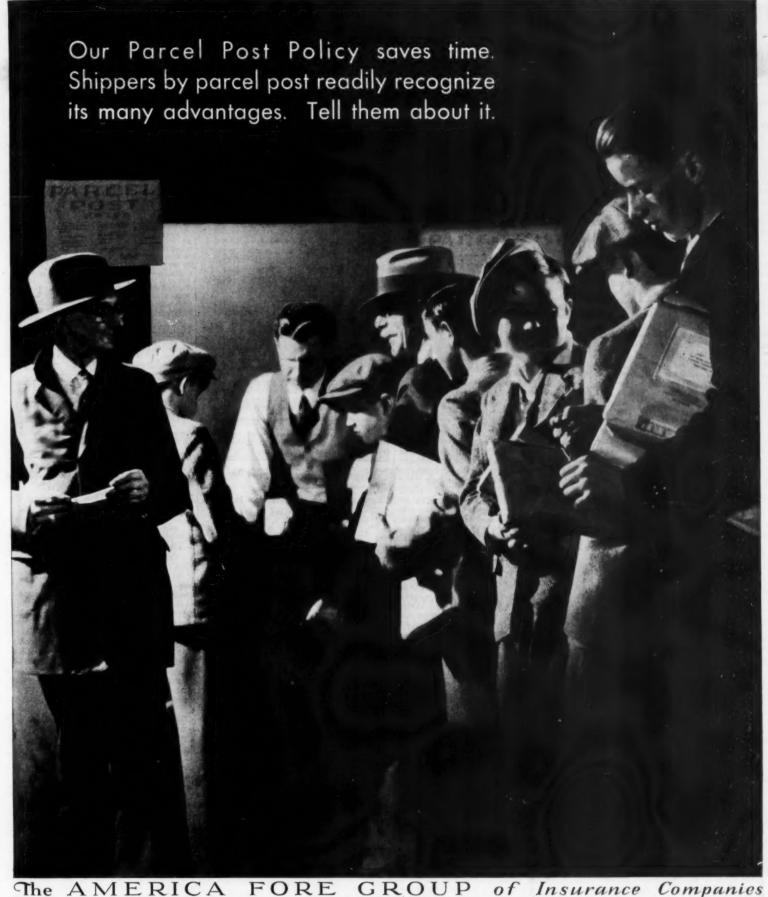
Edward T. Cairns, vice-president of the Fireman's Fund, has returned to San Francisco after a five weeks' trip to the east, where he visited New York, Chi-cago and Boston departmental offices, conferring with managers.

In the passing of Col. William E. Ashley of Greensboro, N. C., at the age of 83, the fire insurance field lost one of its oldest veterans. For 30 years or more, Colonel Ashley had served in the southeastern field as an adjuster for the plant Figure and the other programs of Pilot Fire and the other companies of the McAlister group. For the last three years, Colonel Ashley had been in re-

F. Clifford Willis, recently auditor and assistant treasurer of the Federal Reserve Life of Kansas City, has joined the staff of the McAlister fleet of fire companies at Greensboro, N. C., as auditor. This group, composed of the Greensboro Fire, Pilot Fire, George Washington Fire and McAlister Underwriters, is housed with the Pilot Life in the suburbs of Greensboro.

Mr. Willis for many years has been connected with insurance activities, having received his early training in the

ing received his early training in the New York department. He later rep-resented other states in departmental examinations, following this with inde-pendent auditing for several years.



The AMERICA F
THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY FORE

Eighty Maiden Lane,

FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE ERNEST STURM, Chairman of the Boards

PAUL L. HAID, President

THE FIDELITY AND CASUALTY COMPANY ERNEST STURM. Chairman of the Board

WADE FETZER, President

NEW YORK

CHICAGO

ATLANTA

New York, N.Y.

## FIRE INSURANCE NEWS BY STATES

#### OHIO AND WEST VIRGINIA

#### Conference Program Is Ready

Dayton Fire Prevention Meeting Oct. 7 to Be Featured by Several Prominent Speakers

The program of the Miami Valley fire prevention conference to be held at Dayton, O., Oct. 7, with R. C. Anderson, chairman fire prevention committee son, chairman hre prevention committee
Dayton safety council, presiding, includes talks by Percy Bugbee, Boston,
assistant managing director National
Fire Protection Association; Richard E.
Vernor, manager fire prevention department Western Actuarial Bureau, Chicago, and Paxton Mendelssohn, Detroit, chairman fire prevention committee Detroit board of commerce.

Other speakers and their subjects are: City Manager Fred O. Eichelberger, Dayton; John F. Ahlers, president City Manager Fred O. Elenenerger, Dayton; John F. Ahlers, president Chamber of Commerce; Martin Ackerman, president safety council; "Fire Prevention and the Schools," Superintendent C. V. Courter, board of education; "Fire and Electrical Hazards in Industry," K. H. Bausman, meter and test engineer, Dayton Power & Light Company; "Dust Explosion Hazards" (motion pictures included), Dr. David J. Price, Washington, D. C., Chemical Engineering Division, Bureau of Chemistry and Soils, Department of Agriculture; "Fire Protection and Fire Prevention in Rural Districts" (unassigned); Chief Stephen J. DeMay, Detroit fire department; "Fire Prevention as Applied to Industry," Charles Schwartz, chief plant inspection department, National Cash Register Company.

#### Good Progress Reported on Comprehensive Policy Idea

CLEVELAND, Sept. 10.-Reports of good progress on the new comprehensive policy idea, originally proposed by the Toledo Insurance Board, are made here. This proposed single-amount policy, covering fire, windstorm, hail, full explosion, smudge and rental value, is backed by aggregation all over the backed by agency opinion all over the state. In addition, a number of companies have written their agents express-ing approval and the hope that such a policy could be worked out. Plans are now on foot to make a formal presenta-

now on foot to make a formal presenta-tion of the policy to company execu-tives in the near future.

John W. Frazier, in behalf of the comprehensive policy committee of the Cleveland Insurance Board, which is composed of Mr. Frazier, Clayton G. Hale and C. O. Ransom, recently made a trip to Columbus and Cincinnati. At a trip to Columbus and Cincinnati. At Columbus, where he interviewed a number of the agents, the plan was well received. At Cincinnati, Mr. Frazier talked with the executive committee of the board and a special meeting has been called for this week. If the policy goes through, it will boost the premiums of companies in lines which have never been good sellers before and at never been good sellers before and at the same time it will furnish a protection to the public which is not carried

#### Salvage Corps Proposed

HUNTINGTON, W. VA., Sept. 10. —Efforts to organize a salvage corps to operate in conjunction with the fire department will be made by the fire prevention bureau of the Huntington chamber of commerce. A special committee was named to confer with insur-

ance companies in an effort to have them finance the corps.

It was pointed out that in Cincinnati and other large cities the companies contribute a small percentage of premiums paid in those cities to finance the corps, which in turn greatly reduces the losses to the companies. The committee is composed of C. W. Hutchinson, F. D. Calley and L. L. Stender. Plans for fire prevention week were dis-Plans for fire prevention week were dis-

#### Few Changes from Firemen's Move

CLEVELAND, Sept. 10.—Field men, who hoped that agency changes made when the Firemen's group left the Cleveland Board would give them a big opportunity to plant their companies, have been generally disappointed in the result. Most of the offices which represented the Firemen's group take the attitude that their other companies give them ample capacity and they do not need to replace the companies they have

#### Protest Sprinkler Ruling

CLEVELAND, Sept. 10.—Agents all over Ohio are bombarding their companies with objections to the new ruling of the Ohio Inspection Bureau, which withdraws the 10 percent credit on sprinkled risks written under specific form, formerly allowed. From answers received from the companies it would seem that they were unaware of the withdrawal. Objections have been so great and arguments so strong that agents have been given to understand that a favorable consideration will be given relative to a continuation of the 10 percent allowance. Ohio agents are looking forward eagerly to definite announcement and instructions concerning the period of the continuation ing the ruling.

#### Seek Single Standard Policy

CLEVELAND, Sept. 10.—Ohio agents believe there should be a single standard form of fire policy in this state. Since a part of the companies are copying the old New York State form and others are using the new form, there has been some misunderstanding among the patrons regarding coverage. With has been some misunderstanding among the patrons regarding coverage. With the present situation a customer may take out fire policies in two different companies from the same agency office and get a different coverage on each. Ohio has no law covering this but agents believe that if a single standard policy were generally adapted the situation would clear itself.

#### Fair Exhibit Gets Results

COLUMBUS, O., Sept. 10.—Fire prevention in Ohio is believed to have been given a big impetus by the appearance of Harry K. Rogers, the "fire clown," at the fire marshal-state insurance department booth at the Ohio state fair. The booth was sponsored by State Fire Marshal Ray R. Gill and Superintendent C. S. Younger, and had the support of the Fire Prevention Association of Ohio. Fire Marshal Gill has received many letters commending the display, some of these having come from persons in other states who visited the fair.

#### Investigate Cleveland District

A district in Cleveland on Holyoke street between 47th and 51st, on both sides of the street, is receiving special attention from the companies at this time. The buildings on both sides of the street are dilapidated. The district

is tenanted by Negroes. City officials are not permitting repairs to buildings damaged in this territory.

#### Blue Goose Baseball Game

The annual Ohio Blue Goose outing The annual Ohio Blue Goose outing in Kentucky was held last week. Attendance was near the peak for these events. The state baseball team defeated the Cincinnati team 31 to 20. John H. Gray was scorekeeper, handling the adding machine, and Joe Blackwell acted as umpire.

#### Toledo Adjusters Move

The General Insurance Adjustment Company of Toledo, O. has moved its offices to 1010 New Ohio Bank building. It was organized in 1925 by Clifford L. Rose and specializes in adjustments of casualty, surety and automobile claims. Mr. Rose, who is an attorney, has represented insurance companies in adjustments for 11 years. ments for 11 years.

#### Announce Ohio Inspections

Inspections will be held by the Ohio Fire Prevention Association at Hill boro Sept. 24 and Greenville, Oct. 22.

#### Expect New Pumpers

WHEELING, W. VA., Sept. 10.— Wheeling fire department officials ex-pect to receive the first of two new triple combination pumpers the latter

be constructed to house the new equip-ment and the old fire fighting aparatus will be completely overhauled.

#### Ohio Notes

Pabody, Winkler & Co. of Cleveland ave moved to 508 Auditorium building, hey were formerly in the Citizens building.

The Melville D. Frank Insurance Agency of Columbus, O., has incorpo-rated. Dorothy Thomason will be secre-tary-treasurer.

rated. Dorothy Thomason will be secretary-treasurer.

The Northwestern United Insurance Agency has been incorporated with \$30,000 capital by C. D. Eshelman, 900 Williamson building, Cleveland.

Arthur E. Eoff, well known local agent at Findlay, O., for more than 30 years, died last week. His son, J. A. Eoff, who has been managing the agency for several years, will continue to operate it.

Charles Wikoff, who is associated with his father, Charles A. Wikoff, in the Wikoff Insurance Agency, Columbus, O., was married this week to Miss Mary G. Sims, who has been with the Columbus office of Ernst & Ernst Company.

Carl Klenk, who was formerly sole

Carl Klenk, who was formerly sole agent in Cleveland for the Mechanics of Philadelphia, and who resigned that agency at the time the companies of the Firemen's group withdrew from the Cleveland Board, has become sole agent of the Transportation.

B. L. Gregory, state agent Actna in West Virginia, is attending the Blue Goose grand nest meeting at Rapid City, S. D.

#### CENTRAL WESTERN STATES

Illinois Chamber of Commerce Is Active in the Movement in Its State

A basic method of reducing the pre-A basic method of reducing the preventable fire loss is through the observance of a building code in the erection and construction of buildings, declares the Illinois Chamber of Commerce, which is carrying on a campaign against fire waste. The purpose of the building code is to indicate the safe and proper method of constructing buildings. It

says:
"Building codes are the result of long "Building codes are the result of long study by architects, engineers, fire insurance officials and others who, by long experience, know the dangers of improper building and the benefits of safe building. Every property owner should realize that a strict observance of the latest building code means that all buildings constructed under its provisions add safety and fire prevention and fire protection to the community in which he lives. A greater interest on the part of the public in general in seeing that the city or town in which they reside observes the building code is an interest in the advancement of fire prevention and safety.

Government Analyzes Codes

#### Government Analyzes Codes

"For a number of years, the building code committee of the Department of Commerce at Washington has been assembling and analyzing facts in regard to various features of building codes to various features of building codes and has made available the results of its studies to local committees and others interested in safe and economical requirements. Buildings of the most fire resistive character, however, are liable to have serious fires in their contents, involving considerable loss, if there is disorder, rubbish and inflammable waste in the place."

#### Campaign on Fire Waste Want Windstorm Rate Shave

#### Michigan Agents Seek 25 Percent Reduction and Hail Coverage Without Extra Premium

The advisability of a 25 percent reduction in windstorm rates with inclusion of hail coverage in the tornado contract without extra premium on recording business in Michigan was a frequent topic of conversation among meming business in Michigan was a frequent topic of conversation among members at the meeting of the Michigan Association of Insurance Agents at Port Huron. The volume of tornado and hail premiums in Michigan is small and the agents in favor of the reduction believe that a reduction would helpstimulate that business in the state. Including the hail coverage in the tornado contract, the agents aver, would eliminate friction in loss adjustment when damage is caused by hail not accompanied by wind.

Michigan agents have agitated this reduction for several years as have agents in other non-tornado and non-hail writing states in the central west. It seems doubtful, however, whether the proposal will find much of a response at this time, although some agents have requested that the reduction be instituted Oct. 1. Many observers believe that the tide of rate reductions has brought rates down to the bone and that further agitation for shaving premiums will be met with strenu-

bone and that further agitation for shav-ing premiums will be met with strenuous resistance.

#### Michigan Not Immune

Although Michigan does not suffer the reputation of being as frequent a victim of tornado and hail storms as Oklahoma, Texas, Kansas and other states in the west and southwest, yet Michigan has been far from immune. The tornado which struck Grand Rapidsearly this summer destroyed and damaged several furniture factories and other plants, causing great loss. Michigan's favorable tornado experience, many believe, may be attributed to the gan's favorable tornado experience, many believe, may be attributed to the fact that the state is not well covered with tornado and hail insurance, so that

## LOYALTY GROUP

JANUARY 1, 1930 STATEMENTS

JOHN KAY, Vice-President and Tree ARCHIBALD KEMP, 2d Vice-President BASSETT, President A. H. HASSINGER, Vice-Pr WELLS T. BASSETT, Vice-President

FIREMEN'S INSURANCE COMPANY

OF NEWARK, NEW JERSEY

LIABILITIES CAPITAL **ASSETS** \$60,811,870

\$14,495,225 \$18,777,000 **NET SURPLUS** \$27,539,645

**SURPLUS POLICYHOLDERS** \$46,316,645

NEAL BASSETT, Chairman of Board ARCHIBALD KEMP, 2d Vice-Pres't HENRY M. GRATZ, President
A. H. HASSINGER, Vice-President

THE GIRARD F. & M. INSURANCE CO.

\$ 3,401,657 \$ 1,000,000

\$ 1,851,083 \$ 2,851,083 JOHN KAY, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't

NEAL BASSETT, President A. H. HASSINGER, Vice-President WELLS T. BASSETT, Vice-President MECHANICS INSURANCE CO.

\$ 5,078,813 \$ 3,335,593 S 600,000

\$ 1,143,219

\$ 1,743,219

NEAL BASSETT, President A. H. HASSINGER, Vice-President JOHN KAY, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't WELLS T. BASSETT, Vice-President NATIONAL - BEN FRANKLIN FIRE INS. CO.

**\$** 1,000,000 **\$** 1,162,486 \$ 5,233,116 \$ 3,070,630 WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't

SUPERIOR FIRE INSURANCE CO. \$ 3,061,200 \$ 5,073,876

**\$ 1,000,000 \$ 1,012,676** 

\$ 2,012,676

\$ 639,182

\$ 2,162,486

NEAL BASSETT, Chairman of Board

JOHN KAY, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't WELLS T. BASSETT, Vice-President

CONCORDIA FIRE INSURANCE CO.

\$ 5,564,987 \$ 3,078,063 \$ 1,000,000 \$ 1,486,923 \$ 2,486,923

CHARLES L. JACKMAN, President

NEAL BASSETT, Vice-President

NEAL BASSETT, Vice-President

NEAL BASSETT, Vice-President

ARCHIBALD KEMP, 2d Vice-Pres't

CAPITAL FIRE INSURANCE CO. 652,382 13,200 \$ 300,000 \$ 339,182

CHAS. H. YUNKER, President
A. H. HASSINGER, Vice-President

\$ 6,252,740

NEAL BASSETT, Chairman of Board WELLS T. BASSETT, Vice-President

JOHN KAY, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't

MILWAUKEE MECHANICS' INSURANCE CO.

\$13,045,126 \$ 7,886,590 \$ 2,000,000

\$ 3,158,536 \$ 5,158,536

NEAL BASSETT, Chairman of Board J. SCOFIELD ROWE, President
J. C. HEYER, Vice-President
EARL R. HUNT, Vice-President
MM. P. STANTON, Vice-President
S. WM. BURTON, Vice-President
JOHN KAY, Vice-President
A. H. HASSINGER, Vice-President
WELLS T. BASSETT, Vice-President

METROPOLITAN CASUALTY INSURANCE CO.

\$14,945,383

\$10,320,195 \$ 1,500,000 \$ 3,125,187

W. VAN WINKLE, Vice-President
JOHN KAY, Vice-President
WELLS T. BASSETT, Vice-President

COMMERCIAL CASUALTY INSURANCE CO.

\$14,741,017 \$ 9,712,813

\$ 2,500,000

NEAL BASSETT, Chairman of Board

\$ 2,528,203

\$ 5,028,203

TOTAL OF ASSETS **\$**131,779,040\*

TOTAL OF LIABILITIES \$58,562,251

TOTAL NET PREMIUMS \$49,400,938

WESTERN DEPARTMENT 844 Rush Street, Chicago, Ill.

H. A. CLARK, Manager

Ass't Managers MANES SMITH FRED. W. SULLIVAN EASTERN DEPARTMENT 10 Park Place Newark, New Jersey

CANADIAN DEPARTMENT 461-467 Bay St., Toronto, Canada MASSIE & RENWICK, Ltd., Managers

PACIFIC DEPARTMENT San Francisco, California

60 Sansome Street W. W. & E. G. POTTER, Managers Ass't Managers
JOHN R. COONEY CHAS. H. GATCHEL

\* Capital and Surplus of affiliated companies owned by Firemen's, appear in gross assets of both.

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

when disasters have occurred, the re-sults have not been reflected in the record of insurance companies

#### Attacks Fire Marshal's Job

The validity of the act creating the state fire marshal's office in Indiana is branded unconstitutional in an additional brief filed in Wayne county, Ind., circuit court by attorneys for the Nu-Gas Corporation. The company is seeking to prevent Fire Marshal Hogston from enforcing an order forbidding operation of self-service gasoline filling stations. The brief declares the fire marshal's action unconstitutional because it usurps police, legislative and judicial

#### Clark Starts Training School

Lyle I. Clark, who recently instituted service department and school of in-

a service department and school of insurance instruction for those interested
in becoming associated with the Union
Mutual Life of Cleveland, reports considerable progress. He now has 11 men
enrolled for the eight-week course,
which is in full swing.

Mr. Clark was just appointed manager for northern Ohio by the Union
ion Mutual Aug. 1, with offices at 978
Union Trust building. Harry Altman
has been appointed supervisor in that
territory and is associated with him in
the training school.

#### Launch Fire Slogan Contest

The insurance committee of the Illi-nois chamber of commerce has started nois chamber of commerce has started a fire prevention contest among school children of Illinois. Prizes totalling \$100 are offered for fire prevention slogans to be used especially during fire prevention week. The first prize will be \$25 and there will be thirty other awards of graded amounts. The contest will close Sept. 25.

#### Suburbs May Lose Protection

DETROIT, Sept. 10.—Fire protection in three townships in the vicinity of Birmingham, exclusive residential su-burb, is likely to be cut off Sept. 15 if an arrangement is not perfected under which the Birmingham department will extend its facilities. A joint meeting of the boards of the three townships, Bloomfield, Troy and Southfield, is

being held Sept. 11 at which it is hoped some form of contract may be worked out. According to legal authorities there is no statute warranting the township authorities to enter into any con tracts creating special assessment dis tricts for fire protection purposes. If the problem is not solved, it may cost property owners heavily in increased in-surance rates. Many fine homes are in-cluded in the district.

#### Saginaw Agent Seeks State Office

LANSING, MICH., Sept. 10.-Insurance acquaintances throughout the state were interested this week to learn of were interested this week to learn of the candidacy for state treasurer of Hi-ram A. Savage of Saginaw, a promi-nent local agent of that city. Mr. Sav-age is seeking the Republican nomina-tion for this office at the approaching party convention in Grand Rapids. He has had considerable experience in pub-lic office, begins had correct other place. lic office, having held several other elec-

#### Wood Law School Secretary

Joseph G. Wood, Indianapolis attorney, who is well known to insurance inney, who is well known to insurance in-terests through his connection with the business as secretary of a number of associations, has been appointed secre-tary of the Indiana law school, succeed-ing the late dean, James A. Rohbach, who died recently. It is understood that his new duties will not interfere with his insurance connections.

#### Field Men Meet

INDIANAPOLIS, Sept. 10.—The Indiana Fire Underwriters Association held its first fall meeting here last Monday. A general discussion of plans for the year occupied much of the session. Possible legislation of interest to the insurance business was also considered, as the Indiana legislature will meet next

#### Will Inspect Belleville

At the invitation of the chamber of commerce and the Belleville Board, the Illinois State Fire Prevention Association will inspect Belleville Sept. 25. The principal address at a public luncheon meeting will be made by Harry K. Rogers, engineer of the fire prevention department of the Western Actuarial Bureau. State Fire Marshal S. L. Legreid will tell of the activities of his department.

#### STATES OF THE NORTHWEST

Milwaukee Chief Orders Rigid Inspection as Reports Show Loss for First Half Year Doubled

MILWAUKEE, Sept. 10.—Rigid in-spection to determine the origin of all fires has been ordered by Peter Stein-kellner, chief of the Milwaukee fire de-partment, after receiving an insurance company report that Milwaukee's fire loss for the first half of 1930 was twice

that of the first six months or 1929.

The half year loss was \$962,431 compared to \$430,120 for 1929. Milwaukee's The half year loss was \$962,431 compared to \$430,120 for 1929. Milwaukee's low losses in 1927 resulted in a reduction in rates, and another reduction was made last year. The chief is using the warning of higher rates if there are higher fire losses to interest the general public in fire prevention. eral public in fire prevention.

#### Suspicious Fires Increase

"The number of fires of suspicious origin has increased this year," he said. "Years of bad business usually bring a higher quota of fires than in periods of normal conditions."

"There are many cases where the de-partment, the insurance men and the in-vestigators are satisfied the fire was set for insurance purposes and yet the job was so well done that the evidence

Suspicious Fires Increasing necessary to convict can not be obtained.'

Chief Steinkellner declared the fire de-partment is operating now at its highest

#### Wisconsin Forest Fire Losses

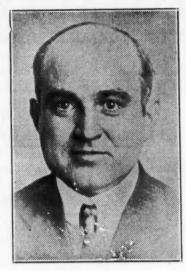
MADISON, WIS., Sept. 3.—The most serious forest fire condition in Wisconsin in years, which necessitates the use of all fire-fighting equipment in the woods, has caused the state conin the woods, has caused the state con-servation commission to cancel the en gagements it had made to send fire-prevention displays to county fairs in the forested districts of the state. The itinerary of the commission's fire-pre-vention display included 22 county fairs

#### Select Dallas Delegates

MILWAUKEE, Sept. 10.—Monroe Porth of Ed Porth & Sons Company, president of the Milwaukee Board; B. A. Lehnberg, vice-president of Chris Schroeder & Son Company, and Fred Lewis, president of the George H. Russell Company, have been named delegates to the convention of the National Association of Insurance Agents at Dallas from the Milwaukee Board. Alvin W. Fox of Fox & McNichols, Oshkosh, Wis., president of the Wisconsin Association of Insurance Agents,

consin Association of Insurance Agents,

#### Acts As Host



DENNY P. LEMEN Sioux Falls, S. D. Most Loyal Gander Dakota Blue Goose

D. P. Lemen of Sioux Falls, secretary and manager of the Queen City Fire, who is head of the Dakota Blue Goose, is a busy man this week as the grand nest meeting is being held in the Black Hills in his state. Mr. Lemen and his associates have done yeoman service in repeating to entertain the distinguished associates have done yeoman service in preparing to entertain the distinguished ganders from all over the country. Dakota has been put on the map in Blue Goosedom. David L. McCoy of Sioux Falls, state agent of the North America, is the retiring most loyal grand gander and is representative of the best in the order. the order.

and Joseph G. Grundle, secretary of the association, will represent that group.

#### Name Insurance Day Chiefs

MILWAUKEE, Sept. 10.—The general committee for Wisconsin Insurance Day which will be held at the Hotel Pfister in Milwaukee, Oct. 29, will have Fred Lewis, chairman of the George H. Russell Company as chairman. E. A. Piepenbrink & Co. is chairman of the finance committee; A. A. Miller of the Gaedke-Miller Company. publicity: nance committee; A. A. Miller of the Gaedke-Miller Company, publicity; Monroe Porth of Ed Porth & Sons Company, president of the Milwaukee Board, entertainment, and A. L. Wortmann, manager for the Aetna Life and affiliated companies, program.

#### Investigate Fire Losses

JAMESTOWN, N. D., Sept. 10—Four fires doing damage of nearly \$200,000 here last week are being investigated. The old wing of the Gladstone hotel, valued at \$100,000, and the men's dormitory at Jamestown college, valued at \$75,000, were the outstanding losses. Both were heavily insured.

A total of \$58,275, representing the fire department tax for 1929, will be distributed among 245 South Dakota fire departments Commissioner **D. C. Lewis** announces. The tax shows an increase of about \$4,000 over last year.

Representatives of the National Board are making a survey of fire hazards and fire fighting facilities in Manitowoc, Wis. A new classification for the city is ex-

#### **Iowa Notes**

N. A. Trissel, Ames, Ia., has joined the Jules H. Kerker Agency, Davenport, Ia., as secretary of the firm.

The Hotel Elliott, Des Moines, recently installed a complete sprinkling system, which has reduced the insurance cost two-thirds. The amount thus saved will pay for the improvement in five years.

### Missouri Valley State News

#### Kansas Program Announced

Smith, Lawson and Welton to Be Headliners for Agents' Meeting in Wichita, Oct. 13-15

WICHITA, KAN., Sept. 10.—The tentative program for the annual meeting of the Kansas Association of Insurance Agents in Wichita Oct. 13-15 has been announced by W. J. Bauerle, chairman of the program committee. All sessions will be at the Lassen Hotel

As many delegates are expected to arrive Sunday, Oct. 12, the registration booth will be open on that day. Arrangements have been made so that those desiring may play golf as guests of the Wichita Insurors and transportation will be furnished.

The opening session will be at 10.

The opening session will be at 10 a.m. Sept. 13, with the welcoming address by O. W. Wilson, chief of police, and response by Bert Mitchner, past president of the Kansas association. Some of the prominent speakers will be Clyde B. Smith, president of the National association; Edward D. Lawson of Chicago, manager of the western manager of the of Chicago, manager of the western ma-rine department of the Firemans Fund, who made a big hit with the Kansas insurance people at the recent Kansas Insurance Day meeting; Charles F. Hobbs, Kansas superintendent of insur-

Hobbs, Kansas superintendent of insurance, and Spencer Welton, vice-president Massachusetts Bonding. Each address will be followed by a short period of open discussion.

Group luncheon meetings of agents, divided as to population of the towns where they operate, will be held Monday noon. A Dutch lunch will be served by the Wichita Insurors Tuesday noon.

#### R. A. McLain to Aid Walling

Ohio Inspection Man Is Appointed Associate Publisher of Iowa Bureau

K. L. Walling, publisher of the Iowa Insurance Service Bureau, has appointed R. A. McLain associate publisher. Mr. McLain goes to Des Moines from the Ohio Inspection Bureau, which he has served for 10 years, the last seven having been manager of the Youngstown branch office.

branch office.

Mr. McLain started in the Michigan Inspection Bureau and then served a term with the New York Underwriters.

Subsequently he became associated with the New England Insurance Exchange and helped in the introduction of the index system there. He left the New England Insurance Exchange to join the Ohio Inspection Bureau.

#### Duane T. Stover Named as Head of Wichita Insurors

WICHITA, KAN., Sept. 10.—At the annual meeting of the Wichita Insurors Duane T. Stover of Harris, Burns & Co. was elected president; A. E. Smoll, vice-president and Henry Schott, secretary-treasurer, for his third term. Mr. Stover has been an active and enthusian Stover has been an active and enthusiastic member of the board since its organization some eight years ago. For a number of years he has been chairman of the entertainment committee and the past year has served as vice-president and chairman of the executive committee. He has also taken a part in the Kansas Insurance Day projects.

The new officers have the responsibility of handling the annual convention

of the Kansas Association of Insurance Agents which will be held in Wichita

Oct. 13-15. However, Mr. Stover was appointed general chairman for the convention some months ago by the retiring president, Lee Webb, and details tive been practically completed.

The newly elected vice-president, A.

E. Smoll, head of the A. E. Smoll & Co. agency, was elected delegate to the national convention in Dallas, as President Stover will be too busy with arrangements for the Kansas convention

#### Rerating Work in Kansas Is Progressing Rapidly

TOPEKA, Sept. 10.—Some 200 of the 300 protected or waterworks towns of Kansas have now been reinspected and new rate books published or under way, according to W. C. Hodges, manager of the Kansas Inspection Bureau. As only six months have passed of the 18 months which it was estimated would be received to retake the other.

18 months which it was estimated would be required to rerate the state, it now appears that the work can be completed ahead of schedule. June 1 has been set for completion of the rerating.

Among the towns which have recently received new rate books are Ellinwood, La Crosse, Cedarvale, Cottonwood Falls, Osawatomie, Lincoln, Stafford, McPherson and Russell. Residue of the larger towns will be taken Stafford, McPherson and Russell. Re-rating of the larger towns will be taken up during the winter. Work has now been started on Kansas City, four in-spectors being on the job. El Dorado will be started within the next week and by Jan. 1 it is probable that Topeka, Hutchinson and Wichita will be under

#### Kansas City, Kan., Board Elects

The Kansas City, Kan., Board Elects
The Kansas City, Kan., Insurors at
their annual meeting re-elected these
officers: S. H. Reynolds, Reynolds Insurance Agency, president; Frank S.
Ellis, Merriam, Ellis & Benton, vicepresident, and George T. Joliff, George
T. Joliff Agency, secretary-treasurer.
The executive committee is composed of
S. H. Reynolds, Frank S. Ellis, George
T. Jolliff, H. O. Tinklepaugh, Paul F.
Heusser, George E. Way and E. L.
Calene.

There are now 21 agencies represented in the association. New by-laws were adopted that conform closely to those in use by other local boards.

#### Opens Davenport Branch

The Thomas T. North Adjustment Company, Chicago, one of the largest automobile and casualty adjusting offices in the country, has established a

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- our aim.
- 3—Shop clean, sanitary and strictly up-to-date "always."

  4—You save money, we make
- money. 5—No Tipping, No Annoyance. 6—Hair Cut 50c—Shave 25c—Sham-poo 30c—Massage 50c.

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Austin Bldg. 111 W. Jackson Blvd. Telephone Webster 7173 Room 882

ardian Bidg. aphone Dearborn 9393 Chicago, Illi 105 S. Dearborn Room 210

branch office in Davenport, Ia., under the management of Howard E. Kopf, located in the American Bank building. Mr. Kopf formerly was associated with the Chicago staff. He has a large acquaintance in and about Davenport, having completed five years of general adjusting work for the companies in that section before going with the North Adjustment. Mr. North opened his first branch office at Milwaukee under the management of A. E. S. Prior, following which he opened an office at Indianapolis which is now managed by J. L. Valentine.

#### McIntosh Has Son

Announcement is made of the birth of a son to Mr. and Mrs. H. O. Mcor a son to Mr. and Mrs. H. O. Mc-Intosh, whom they have named Robert Holland. Mr. McIntosh is Kansas state agent of the Hanover and has served as vice-president of the Fire Underwriters Association of the North-west and chairman of Kansas Insurance

#### Smith Returns to Bureau

W. C. Hodges, manager of the Kansas Inspection Bureau, has announced that C. W. Smith, Jr., has returned to the bureau, now being connected with the Kansas City branch. Mr. Smith spent several years with the Kansas spent several years with the Kansas bureau, previous to purchasing a local agency in Newkirk, Okla., in 1923. He later sold the agency and returned to Kansas, traveling as special agent for the American and later for the Morrison & Co. general agency. Later he was connected with the insurance division of the Shell Petroleum Company at St. Louis

#### Farley to Wage Strong Campaign

TOPEKA, KAN., Sept. 10.—J. F. Farley, Democratic candidate for commissioner of insurance in Kansas, seems to be preparing to make a real campaign against Charles F. Hobbs, the present incumbent and Republican nominee for the office in the coming election. Mr. Farley is an insurance man at Wichita, His wife is the Democratic national committeewoman for Kansas and vice-chairman of the Democratic national com-

The campaign is to be waged on the fre campaign is to be waged on the fre insurance rate settlement. The purpose is to repudiate the settlement as far as the state is concerned. While the success of the campaign by Mr. Farley would be a repudiation of those who participated in the settlement as far as the state is in the settlement as far as the state is concerned, it would not change the set-tlement or bring about a revival of the litigation, in the view of lawyers who participated in the long lawsuit.

#### Discuss Fall Activities

ST. LOUIS, Sept. 10.-The St. Louis Cats Meow held a luncheon meeting Sept. 9 to discuss fall activities. It has been proposed that the steamer Cape Girardeau again be chartered for a family excursion over some week-end this fall. A similar affair in October of last year proved one of the most successful insurance outings ever given in St.

#### Push Missouri Membership Work

KANSAS CITY, Mo., Sept. 10.—T. S. Ridge, Jr., president of the Missouri Association of Insurance Agents, and Wilbur F. Maring, Jr., executive secretary, spent two days at Neosho and Carthage, Mo., doing development work for the association. Four new members were secured at Neosho and seven at Carthage. This gives Carthage nine members, all very active, who will organize a local board there.

#### Kansas Notes

The annual picnic and outing of the **Dulaney**, **Johnston**, **Yankee & Priest** agency of Wichita will be held Friday afternoon, Sept. 12, at Hellers Grove.

Van B. Higbee, special agent in Kan-sas for the farm and hall department of the Hartford, with headquarters for-merly in Topeka, has been transferred

(CONTINUED ON PAGE 30)

#### Lessens fire risk

W HEN taking measures to reduce fire hazards, do not overlook the advantages of cleaning the Oakite way. Non-inflammable, non-explosive, Oakite materials remove the grease and oil that invite fire. Safe in storage and in use, Oakite can be depended upon to do thoroughgoing work without damage. Write for full infor-

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New York

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extends salutations to THE MICHIGAN ASSOCIA-TION and grateful greetings to all good friends among Michigan Agents, whose surpassing support we proudly acknowledge.

Each year sees us nearer our goal

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Our old friends continue friendly and every year adds new friends to the Company supporters. We're not so big that there's lacking the personal friendly contact between Company and loyal producers, which is a major reason why our friends in this State are personally interested and "Boosting" for our advancement and that's what makes "The Detroit National"

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C. R. CROZIER

Secretary

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## GREETINGS from MUSKEGON, MICHIGAN

To the Michigan Association of Insurance Agents 33

Campeau & Mullally & Meier
Chaddick, Winter, Mulder & Alberts
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Roy Doane
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Oslund Insurance Agency

Ben Pekelder Chas. H. Redman Risk Insurance Agency

F. D. Smith & Company, Inc. Tellman Agency Vanderwerp & Schrier

## The National Underwriter

THIRTY-FOURTH YEAR Number 37

CHICAGO, NEW YORK, CINCINNATI AND SAN FRANCISCO, THURSDAY, SEPTEMBER 11, 1930

Office of Publication, 175 W. Jackson Boulevard, Chicago, Illinois

MICHIGAN AGENTS' CONVENTION INSERT

## Condemn Stock-Mutual Combinations

Michigan Association Elects George J. Lieber President at Annual Convention-Recommend 10 Percent Cut for Non-Policy Writers

#### Speak Plainly

All of the "hot" talks and plain speaking took place at the executive session of the Michigan Association of Insurance Agents held on the final day of the annual convention. Many denunciations of companies planting with agents representing mutuals and reciprocals were heard. Offending companies and agents were called by name. It was agents were called by name. It was stated that one prominent casualty comstated that one prominent casualty company is writing the automobile business of the Flint Motor Club and that the same company has given a general agency to one of the former officers of the Valley Auto of Saginaw, a reciprocal, which was recently reinsured by the Detroit Motor Club, but which, when active, gave keen competition to the legitimate agents of Saginaw.

## Companies Asked to Deny Mutuals Rating Services

At this session resolutions were adopted asking the companies to deny their rating bureau facilities to mutuals and reciprocals, and to not permit stock company adjusters to handle losses for

mutuals and reciprocals.

Companies which have established agency connections with those already representing mutuals and reciprocals were condemned, as were stock company agents harboring any cooperative carriers in their offices. The non-policywriting agent was excoriated and a 10 percent lower commission for such rep-

resentatives recommended.

Fred L. Winter of Muskegon proposed and had approved some changes in the constitution and by-laws. The by-laws have, as a consequence, been merged with the constitution. The gov-

## NEW OFFICERS ELECTED

PRESIDENT

George J. Lieber, Detroit

VICE-PRESIDENT

J. Earle McVoy, Grand Rapids

TREASURER

William G. McCune, Petoskev

NATIONAL COUNCILMAN

George W. Carter, Detroit

#### GOVERNING COMMITTEE

The officers and Alexander Cowan, Port Huron; W. H. Pendleton, Kalamazoo; Charles Carnahan, Mt. Pleasant; Claud J. Palmer, Jackson; Frank Barnes, Manistee; John P. Old, Sault Ste. Marie, and Carl Trager, Lansing.

#### COMMITTEE CHAIRMEN

Conference, George W. Carter, Detroit; legislation, Kenneth H. Watkins, Detroit; membership, George Brown, Detroit. Next meeting place-Grand Rapids.

erning committee is increased from 8 to 10 members, and a new district, centering around Grand Rapids, created.

The office of chairman of the governing committee was established and retiring President G. Leo Weadock of Saginaw made its first incumbent. The feeling has grown that the expersident can be considered as a consideration of the governing committee will preside at all governing committee meetings, but will have no vote, except in the case of a tie.

In reporting as chairman of the governing committee will preside at all governing committee meetings, but will have no vote, except in the case of a tie.

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Detroit said the chairman of the governing committee meetings, but will have no vote, except in the case of a tie.

Detroit said the chairman of the governing committee will preside at all governin Saginaw made its first incumbent. The feeling has grown that the ex-president of the association should not lose all contact with the organization upon retiring from the presidency. Under the

panies and agents in Michigan have never been better and that the companies have agreed no material change re-(CONTINUED ON PAGE 29)

## Good Program Given

With an attendance of nearly 300, a membership of an even 500 and every evidence of enthusiasm and progress, the 32nd annual convention of the Michigan Association of Insurance Agents was held at the Gratiot Inn at Port Huron on the shores of Lake Huron. G. Leo Weadock of Saginaw, president, presided at all of the business sessions and kept the gathering well in hand. The program was formed around hand. The program was formed around the theme, "Business Building," and all of the speakers had something practical to say about ways and means of getting business on the books.

business on the books.

As the initial speaker, Mr. Weadock read his annual report as president in which he especially urged the abolition of the non-policy-writing and survey grent.

Executive Secretary George agent. Executive Secretary George Brown followed with his annual report.

## Weil and Rickerd on First Day's Program

Louis A. Weil, editor of the Port Huron "Times-Herald," was next with his talk on "The Assured and the Agent." Mr. Weil has many insurance Agent." Mr. Well has many insurance friends in Michigan and has spoken before the Michigan field organizations from time to time in past years. He predicted that before long the time would come when the insurance companies would be writing unemployment and add one invarance recent developed. and old age insurance, recent develop-ments in the United States having indicated the growing necessity for these

coverages.

C. E. Rickerd, advertising manager of the Standard Accident, in his address "Mousetraps and Men," gave some valu-

(CONTINUED ON LAST PAGE)



GEORGE J. LIEBER, Detroit New President Michigan Association



Retiring President Michigan Association



GEORGE W. CARTER, Detroit Chairman Conference Committee



GEORGE BROWN, Detroit





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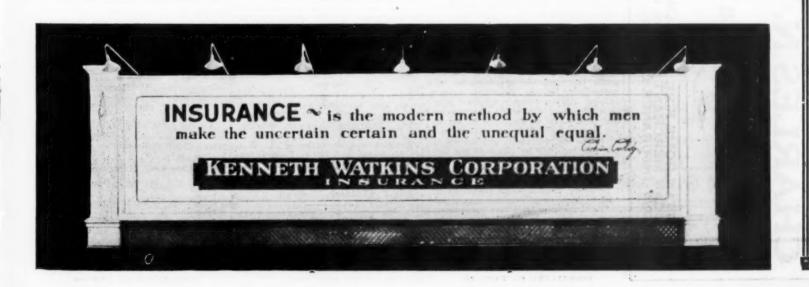
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## Lieber Proposes Strong Program

Newly Elected President Outlines Administration Principles for New Year

ATTACKS BIG PROBLEM

Campaign of Professional Qualification and Upholding American Agency System Urged

A determined program of education along the lines of professional knowledge of insurance in order that agents may continue to merit the confidence of the public and be entitled to commissions for their labors under the American agency system, was set forth by George J. Lieber of Detroit, new president of the Michigan Association of Insurance Agents, in his first official utterance at the Port Huron meeting.

AND CASUALTY COMPANY
GERMANIC FIRE INSURANCE CO.
MERCHANTS FIRE INS. CO. OF COLO.
REPUBLIC FIRE INS. CO.

F. INS.

AND

STANDARD SURETY CO. CO.

F ASSURANCE C F MARINE INS. CO., LTD.

N HOME FIRE IN MERCHANT INSURANCE C

AMERICAN CENTURY IN

Contracts

Agency

Mr. Lieber presented and analyzed two opposing views on this matter of the need for agents in insurance, one the statement of a company official at the acquisition cost hearing of the com-missioners in Chicago, and the other of Walter H. Bennett, secretary National Association of Insurance Agents.

## Quotes Company Official on Basic Status of Agent

Mr. Lieber quoted the company man as saying, "If insurance protection is to be continued through the medium of stock corporations, there are but two main factors really necessary; first the insured who desires protection, and next the stockholder who, inspired with the hope of reasonable profit, is willing to his money in furnishing that protection.

Bennett said, "The agent goes forth to the public seeking to secure and care for certain insurable interests. He proposes to give a definite and distinct service in exchange for this trust. The service he is able to give is measured by his skill and knowledge. This is the sum total of all professional service ren-dered. While developing this business he is not acting as the agent of any company; he is acting for himself and perhaps jointly for himself and the in-terest of the assured. He has assumed a distinct obligation to his clients to provide adequate indemnity for them in reliable companies at proper rates, and in accordance with certain established rules and customs.

## Sees These Two Views as Basic Theories Involved

"These two quotations state to my mind the basic theories," Mr. Lieber says. "Upon the correctness of one depends the economic soundness of our continuation of the American agency system. If you concede the first principle, then you concede the proposition that in the field of insurance we agents are merely an incidental medium, not necessary, without rights and subject to and existing only by virtue of the suf-ferance of insurance company administrations, who may or may not offer their insurance to the public in any way that they desire, subject to no regulation or control, legal or otherwise. "To those of us who have spent many

years of effort in this business, who have watched the changes in policy forms, rates, methods of adjustment and laws protecting the policyholder from such a condition, laws brought about not at the request of insurance compa-

(CONTINUED ON PAGE 48)

## Gives "Ad" Talk



C. E. RICKERD, Detroit Advertising Manager Standard Accident, President Insurance Advertising Conference

### Banquet Is Lively, Diverting Affair

The banquet was a lively and diverting affair. A crowd of 271 turned out for it, the largest dinner gathering ever G. Leo Weadock of Saginaw presided and after a few friendly thrusts at those who were to speak, turned the dinner over to Michigan's beloved insurance

commissioner, Charles D. Livingston.
Talks were made by Walter H. Bennett, secretary of the National Association of Insurance Agents; Arthur W. Stace, director of the Michigan Public Utility Information Bureau; W. T. Ben-Cliffy Information Bureau; W. T. Ben-allack, agency superintendent, Michigan Fire & Marine, and Clarence Axman, editor of the "Eastern Underwriter." Mr. Livingston asked various other prominent guests to stand while he introduced them.

The concluding feature was the presentation of a handsome wrist watch to President Weadock, who has given the Michigan association such a successful President Weadock, who has given the Michigan association such a successful administration. He was visibly affected by the gift and found difficulty in controlling his emotion. The presentation on behalf of the Michigan association was made by Clyde B. Smith of Lansing, president of the National association, and a former president of the Michigan association. Michigan association.

There was music by a quartet and the community singing was led by W. A. Doyle of Highland Park, suburb of A. Doy Detroit.

#### COMMITTEES APPOINTED AT MICHIGAN MEETING

The committees appointed to serve during the convention were: Nominating—John P. Old, Sault Ste. Marie, chairman; Kenneth Watkins, Marie, chairman; Kenneth Watkins, Detroit, and P. A. Jenison, Lansing. Revision of Constitution—F. L. Win-

er, Muskegon, and Lee A. Dudley, Bat-

Resolutions — Alex. Cowan, Port Huron, chairman; A. J. Grow, Detroit, and G. C. Chaddock, Muskegon.

On the second day there was a sight-seeing automobile trip through Port Huron environs including the industrial section of Marysville and Mueller. In the afternoon there was a golf medal handicap. A trophy cup was furnished by the Port Huron Agents Association. The cup may be permanently held by an individual if won three times.

## Rickerd Urges Ad Campaigns

Expert Looks on This Measure as Way out of Business Slump

#### INCREASES SALES RANGE

Standard Accident Publicity Man Gives Do's and Dont's in Talk to Michigan Agents

It is entirely likely that the man immortalized by Emerson, who makes a better mouse trap than his neighbor, will be forced to nibble the cheese from his own trap to forestall starvation if he lives in the woods and does not advertise, C. E. Rickerd, advertising manager of the Standard Accident of Detroit, told the Michigan Association of Insurance Agents in its Port Huron meeting.

Advertising has the power to broaden sales territory, lower cost of selling by cutting down time necessary to sell a policy, and establish prestige of the agency in the minds of policyholders and prospects, he says. Although the business depression did much to slow down consumer advertising, yet well di-rected advertising can do more than any other one factor to hasten economic recovery in the United States.

## Advises Not to Advertise by Fits and Starts

Mr. Rickerd says, however, there are many who advertise by fits and starts and too much money is spent heedlessly. He says advertising must be built on to-day's facts, not guesses, whims or in-

day's facts, not guesses, within of individual prejudices.
"There is no substitute for continuity
in advertising," he says. "Those who
will not buy today will be customers
tomorrow if the advertising is constant.

tomorrow if the advertising is constant. Continuous advertising is the best insurance for business leadership.

"Your advertising must catch the attention of a public that is always on the go. Today's customers have more interest to divide their attention than our fathers ever imagined. Pictures and staccato copy more quickly invite the reader's eye." Classed under good insurance advertising he would list as most beneficial to the average agent: "Outlines Printled Motheds."

## Outlines Fruitful Methods Which Agents Can Use

1. Direct-mail, because it goes to hand picked prospects and is more easily controlled; main value lies in use as part of a campaign of two or 20 mailing

2. Newspaper advertising, because it reaches the masses; tied up with direct

3. Quality, bulletin or billboard advertising, because it reaches motor....
pedestrians.
4. Specialty, gift or remembrance ad-

Among some of the do's and dont's discovered through the Standard's re-search experiments are:

#### Sets Forth Do's and Dont's Based on Long Experiments

1. Hit and miss advertising is waste-

2. Set up an advertising budget and

keep within it.

3. Have an experienced advertising man prepare a plan for an entire year, and stick to it.

4. Mailing list is important; prospects

-not just names.
5. Follow up advertising with per-(CONTINUED ON PAGE 48)

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## Life Department Can Be Made an Important Unit

An outline of the important part that a life insurance department may play in a general insurance office was given by Claris Adams, executive vice-president of the American Life of Detroit.

The persistence of life business was emphasized by Mr. Adams. It does not go on and off the agents' books as do the other forms of insurance. It does not have to be rewritten annually or at stated periods. Once the policy is delivered it remains in force indefinitely. Over 75 percent of all the life insurance written remains on the books until the written remains on the books until the policy matures as a claim. Further, it policy matures as a claim. Further, it provides the agent with a renewal income over a period of 10 years which in the large majority of cases is almost automatic and to obtain which the agent is not called upon the put forth any effort or to render any service.

## Little Fluctuation in New Business Written

There is little fluctuation in the amount of life insurance written year after year or rather the writing of life insurance is not subject to sharp ups or downs. Mr. Adams referred to this an indication that it is easier to write e insurance during so-called hard life insurance during so-called hard times than it is any other branch of insurance. Touching upon the possibilities in the writing of life insurance Mr. Adams said that the whole selling equip-Adams said that the whole selling equipment of the life insurance agent has been markedly modernized and improved. Twenty years ago practically everything sold by the life insurance man was death insurance. At the present time the bulk of the new business is life insurance or in other words some form of life contract under the terms of which it is not necessary for the assured to "die to win." Today there is group life insurance, business insurance, and every possible form of coverage providing protection with savings.

## Logical Plan to Sell Life Insurance

Mr. Adams said that the general writing insurance agent is, if properly equipped, the logical man to sell life insurance to the same assured who buys all forms of fire and casualty and indemnity. The general writing local

agent is seeing and selling and settling losses with his policy holders almost constantly. He has the confidence of the men with whom he is dealing. He has the entree. He does not have to spar around trying to get an interview. The stage is all set for him. He can point out that above and beyond every piece of property there is a human in-terest which transcends any property interest. He can stress the importance interest. He can stress the importance of manpower in any business and point out that the average business man would not sleep comfortably if his valuable property were not insured against fire and yet even though a fire should produce a total loss the property could be rebuilt and the business resumed. On the other hand, the loss by death of the head of the same business might prove to be irreparable because the guiding genius, the one responsible for the growth, development and continued progress could not be replaced. In such cases the need of life insurance to cover the loss of such important individual factors is so obvious as to not require

## Thorough Study Must Be Made of Coverage

The operation of a life insurance de-partment on the part of the local fire and casualty agent must, Mr. Adams said, not be incidental if the adventure is to be a success. Life insurance canis to be a success. Life insurance cannot be sold in large or satisfying quantities by anyone who has not made a thorough study of it and hence does not properly understand it. Life insurance is designed to cover definite economic laws. The average man in the United States is insured for only a little over one year's income, which means that virtually every man that has the money to pay for it is a prospect for more to pay for it is a prospect for more life insurance. The difference between life insurance. The difference between property insurance and life insurance is this: in property insurance the need is apparent; with life insurance the agent must discover the need and show it to the prospect. It is this phase of the business that requires study to the end that the agent may be in a position to weath real need for life insurance so unearth real needs for life insurance so that he can in this way pre-aid the de-sire on the part of the prospects for adequate life insurance coverage.

## Michigan Convention Notes

prominently in attendance, they being L. E. Sanders of the National of Hartford and Earl Gibbs of the Boston and

A registration fee of \$5 was collected from all who attended, which paid for a banquet ticket and admission to all sessions. There was a total registration of nearly 300.

\* \* \*

Most of the convention details were handled by Secretary George Brown. He did a thorough job. Mr. Brown labored in season and out for several weeks before the meeting perfecting all of the arrangements. He conducted a membership drive for a month before the convention and his efforts brought the total membership up to around 500.

\* \* \*

C. E. Rickerd, advertising manager of the Standard Accident, had the front walls of the convention hall covered with advertising cartoons, epigrams and agency advertising suggestions, which illustrated and amplified the ad-dress on advertising which he made on the first day.

A. F. Powrie, western manager of the Fire Association group, was shaking hands with old friends. Before going to Chicago in an executive capacity, Mr. Powrie was one of the most popular and successful field men in Michigan. The

assistant western manager of the Fire Association, H. K. Dickinson, was also in the Michigan field for the company before taking his present position.

It was a surprise to many to learn that Clarence Axman, the erudite editor of the "Eastern Underwriter," was born in Port Huron and lived there for the first 13 years of his life. He spoke interestingly at the banquet on his recent trip in the Graf Zeppelin.

The western department of the North America startied the natives by sending three of its assistant managers to the convention, H. A. Miller, W. H. Riker and W. P. Robertson. Mr. Robertson, before assuming managerial duties, was for many years one of the outstanding field men of the Wolverine state.

\*\* \*

E. J. Schofield, recently elected vice-president and agency manager of the

E. J. Schofield, recently elected vice-president and agency manager of the Globe Indemnity, mingled with his many friends among the agents of Michigan. He was for 24 years with the Standard Accident, having resigned last month as vice-president. The night before the convention about two dozen of his close friends gave a dinner for him. Presi-dent A. Duncan Reid and Vice-President Kenneth Spencer were present from the home office of the Globe Indemnity. \* \* \*

Frank J. O'Hara, president of the Port Huron Agents Association and

those on his reception committee were active and helpful. Trains were met and automobile transportation provided. Cordiality and hospitality on the part of the local agents of Port Huron were everywhere in evidence.

\* \* \* \*

The printed program contained the advertisements of a number of companies active in Michigan.

dent. There are eight other living charter members. For some years Mr. Hecox was western manager of the Ohio Farmers, and in recent years has been an independent adjuster with head-quarters at Greenville.

The business sessions were held in the dance auditorium adjacent to the hotel. It is in this building that the field men of Michigan hold their meet-ings each year.

The opening of each business session was made known throughout the hotel by a bagpipe player who wandered about playing loudly and compellingly.

#### THE OHIO CASUALTY INSURANCE COMPANY

Home Office, Hamilton, Ohio

918 Prudden Building, Lansing, Michigan

CARL C. WEINRICH State Agent

Burglary, Automobile Insurance, Plate Glass General Liability, Bonds

## SAGINAW AGENTS

## BRADY, JUDD & CO.

**INSURANCE** 

135 N. Washington Avenue SAGINAW, MICHIGAN

### THE WHEELER INSURANCE AGENCY

Six Hundred Six Bearinger Building SAGINAW, MICHIGAN

#### FERGUSON & WALLACE, INC. **INSURANCE AND SURETY BONDS**

102 South Washington Avenue SAGINAW, MICHIGAN

## SAVAGE-ALDERTON & SWAN

**INSURANCE** 

905 SECOND NATIONAL BANK BUILDING SAGINAW, MICHIGAN

## J. D. & D. W. DRAPER **INSURANCE**

SAGINAW, MICH.

## WM. B. BAUM AND SON, INC. SAGINAW, MICHIGAN

Wm. B. Baum

Leslie Hughes

Wm. S. Baum

## Weadock Insurance Agency

G. Leo Weadock

Saginaw, Michigan

#### AGENT JACKSON

Real Estate :: Mortgage Loans

HALL & KENNEDY, Insurance Dwight Bldg., Jackson, Michigan

## BENTON HARBOR

## MICHIGAN'S LARGEST **COMPANY**

Specializing Exclusively in Health and Accident Insurance

Amicable Adjustments for 27 Years **Attractive Agency Contracts** 

FIDELITY HEALTH AND ACCIDENT CO.

Benton Harbor, Mich.

## The Hipp-Pratt Insurance Co.

W. O. PRATT, President GEORGE R. GRAY, Vice President

O. A. FELLOWS, Secretary LILLIAN GRAY CARLTON, Treasurer

Hinkley Block-Benton Harbor, Michigan

## **GRAND RAPIDS AGENTS**

## J. S. CROSBY & CO.

Agency Established 1858

Grand Rapids Trust Building GRAND RAPIDS, MICH.

C. G. Watkins

F. K. Heath

G. C. Blickle

## GRAND RAPIDS INSURANCE AGENCY

General Underwriters

G. R. TRUST BLDG.

GRAND RAPIDS, MICH.

M. T. VANDEN BOSCH

G. EARLE McVOY

## VANDEN BOSCH & McVOY

General Insurance

801-5 Grand Rapids National Bank Bldg.

GRAND RAPIDS, MICH.

## How to Analyze Company

An address of practical utility at the Port Huron convention of the Michigan Association of Insurance Agents was period covered. Association of Insurance Agents was on "How to Analyze an Insurance Company Annual Statement," by R. M. Wade, second deputy commissioner of Michigan. Mr. Wade's paper is non-technical and easily understandable by

the layman.

He says the items of income are per-He says the items of income are perhaps among the most important because without income the losses, salaries, commissions and other expense items could not be paid. The standard blanks provide a schedule for premium income so as to denote amount received from various types of cover, setting forth gross premiums on risks written or renewed, plus reinsurance received. renewed, plus reinsurance received, om which is deducted amount of cancellation and reinsurance ceded to other companies, the balance being net prem-iums received in the calendar year.

## Explains Report Blank Used by Departments

Mr. Wade says to this sum is added other income items producing total income, which when compared with total disbursements appearing on the next page of the statement establishes at a glance whether or not the company has increased or decreased its ledger assets during the year. The disbursement during the year. The disbursement schedule is similarly treated, losses paid being segregated according to type of cover and being shown gross, but with

This permits disclosure of net amount paid for losses, which when compared with net premiums received denotes ex-

perience on a written basis.

"The gain and loss exhibit gives a regain and loss exhibit gives a very complete summary of the company's activity," Mr. Wade says, "and from it a person can establish in a few moment's time how the company fared during the year of the statement. The underwriting exhibit contained in such underwriting exhibit contained in such schedule reveals the premiums earned during the year, losses incurred during the year, underwriting expenses incidental to such business, which together

dental to such business, which together with other miscellaneous profit and loss items discloses the loss or gain from underwriting during the year.

"In the fire company's statement as well as the casualty statement we can establish from the gain and loss exhibit the percent of losses incurred to premiums earned, percent of underwriting expense to premiums earned and ing expense to premiums earned, and percent of investment expense incurred to interests and rent earned, as well as the percent of total losses and expenses incurred and dividends declared to total income earned. The last percentage is an important one, for if the percentage is in excess of 100 percent it will automatically reveal that the company has experienced a decrease in surplus during the year considered by the statement."

### **Public Utilities** Man Give Public Relations Rules

There is a single supreme rule to follow in promoting proper public relations, "Do unto others as you would have others do unto you," Arthur W. Stace, director of the Michigan committee on public utility information, told members of the Michigan Association of Insurance Agents in their Port told members of the Michigan Associa-tion of Insurance Agents in their Port Huron meeting. "Public relations mean those things which one does to establish himself well in public opinion, to gain public good will and to merit public confidence," Mr. Stace said. "Public relations may also be de-scribed as the policies and practices which cause a community to accord one

which cause a community to accept one as a good neighbor, a good citizen and a valued, respected contributor to the community's well being. The insurance agent has his public relation. The insurance company has its public relation. According as these public relations are good, bad or indifferent, so is the standing in the community of the individual, the organization or the institution bad or indifferent.

## Cites Ways in Which Favor Can Be Secured

"Efforts to promote favorable public relations take various forms. Courteous contact, efficient service, a pleasant voice over the phone, agreeable clerks, the customer-is-right policy, willingness to be helpful in ways outside the usual routine—these are among the manifold methods a concern may apply to set itself up in the public mind as an establishment with which it is pleasant to do business. ant to do business.
"We like to do business with an

surance agency that is not only solici-tous and helpful in selling us insurance but that we feel will be solicitous and

### Appraiser Urges Use of Inventory to Boost Income

There are at least three very logical and convenient methods of offsetting and convenient methods of offsetting the definite shrinkage in fire premium volume, L. D. Stafford, Detroit man-ager of the American Appraisal Com-pany, said in his talk. First he advo-cates a more general use of allied lines; second, insistence on more adequate and careful determination of actual cash value of property insured, and, third, a detailed inventory properly priced in

detailed inventory properly priced in the case of residence coverage.

Mr. Stafford finds a number of reasons beside business depression that account for decreased volume, including improved methods of fire protection, such as installing sprinkler systems, increased efficiency of fire departments, closer inspection service on the part of bureaus, greater inclination on the part of the assured to follow recommendations which are made, more modern type tions which are made, more modern type of construction in universal use, hand-to-mouth buying in business, with much smaller inventory carried than in for-mer years, and underinsurance, due to a tendency on the part of assureds to de-preciate chances of loss and thus to carry too little, rather than too much, insurance A factor which he finds by no means small is an increasing ten-dency of many concerns to carry dency of many concerns to carry their own insurance when they reach strong financial positions. Mr. Staf-ford says the results of appraisals should be taken as final for insurance snould be taken as final for insurance purposes, just as much in relation to property values constituting the basis for writing sidelines as they should in relation to actual cash value defined in the standard fire contract. He urged competent appraisals as a means of disclosing underinsurance and need for further cover. ther cover.

but that we feel will be solicitous and helpful to us when misfortune comes our way and we need the protection and material comfort for which we have paid our premiums."

Mr. Stace said public relations are based on three essential foundation stones, service, square dealing and understanding. The first is essential for it is the reason for the existence of

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#### Michigan Agents Are Plain Spoken in Annual Meeting

(CONTINUED FROM PAGE 23)

lating to rates or underwriting will be made without first conferring with the Michigan association conference com-

mittee.

Kenneth Watkins of Detroit in his report as chairman of the legislative committee urged an amendment to the agents' qualification law to provide an examination. He advocated an automobile financial responsibility act, and expressed the belief that the so-called A. A. A. bill could be passed. He said that the appropriation for the Michigan insurance department would probably be increased. be increased.

The governing committee will tinue to meet every 60 days, and there will be a one-day closed business conference for local agents only next January or February.

## Pertinent Resolutions Adopted

The Michigan Association of Insurance Agents adopted the following resolutions at Port Huron:

In view of the fact that 85 percent of the fire and casualty insurance business is written in stock insurance companies and that certain facilities and machinery of stock insurance companies have always been available to mutual and reciprocal institutions, we believe this policy is contrary to the interest of stock companies, and we urge the stock companies to divorce themselves entirely from such institutions for the benefit of the companies and their agents.

We urge the local agents to represent only insurance companies that cooperate with the National association to the fullest extent.

We hold that it is inconsistent for an agent to represent both stock and mutual companies and equally inconsistent for stock companies to place their agencies in mutual and reciprocal offices.

We approve the agents' qualifications measures instituted by the insurance department and urge the furtherance of this policy.

We condemn the practice of indiscriminate appointment of non-policy writing

We condemn the practice of indiscriminate appointment of non-policy writing agents and believe that, for the best interests of the business as a whole, the practice should be stopped, and that the first step in the elimination of this evil is the establishment of a differential in compensation between policy writing and non-policy writing agents to the extent of at least 10 percent.

#### Free Policy Is Offered All Diamond Purchasers

SEATTLE, WASH., Sept. 10.

—Insurance and retailing are effectively tied up through the sale of a \$1,000,000 policy to Weisfield & Goldberg, jewelers, by Howard Lang, representing the First National of America, member of the General of Seattle fleet, and the American Lawrence and the American Insurance Agency of Seattle. The policy provides that with each diamond provides that with each diamond sold at any of the nine Weisfield & Goldberg stores a policy is offered free protecting the purchasers against loss by fire, theft, holdup, burglary or from the settings. The policy also covers diamonds set in any kind of jewelry.

## LANSING AGENTS

## THE DYER—JENISON—BARRY COMPANY THE LANSING INSURANCE AGENCY

Lansing, Michigan

## CLYDE B. SMITH

INSURANCE

LANSING, MICHIGAN

#### EDWARD G. HACKER CO. **INSURANCE**

FOR EVERY NEED LANSING, MICHIGAN In our Forty-third Year

BAILEY REAL ESTATE, INC.

General Insurance LANSING

FLINT

MICHIGAN

## McManus Insurance Agency

LANSING, MICH. Nothing too Small or Large—Thank You

W. A. Mason, President

G. W. Fauth, Secretary-Treasurer

AGENTS

#### & FAUTH, Inc. MASON **INSURANCE**

308 Sherman Building

FLINT, MICHIGAN

#### AGENT BAY CITY

## SPEAR & SHEARER

Insurance

230 SHEARER BLDG.

BAY CITY, MICH.

## NEWALL

808 Flint P. Smith Bldg.



## BRAUN

FLINT, MICHIGAN

#### IN THE MISSOURI VALLEY

#### (CONTINUED FROM PAGE 21)

to the Wichita office at 421 Wheeler-Kelly-Hagny building.

Kelly-Hagny building.

J. C. Kelly of the Wheeler-Kelly-Hagny Agency of Wichita has been out of the office several days recently, part of the time being spent in a local hospital, due to an infection. He expects to return to his desk shortly.

#### Iowa Notes

The Iowa State Fire Prevention Asso-ciation will hold its first fire inspection of the season at New Hampton Sept. 17. The city officials, American Legion, fire

department, civic organizations and Boy Scouts are all back of the inspection.

J. H. Whittemore, former commissioner of finance and for many years a resident of Sloux City, Ia., has purchased the insurance agency of the late Henry French there.

#### Fulton Fire Loss \$90,000

Futton Fire Loss \$90,000

Fire of undetermined origin on Sept. 6 caused approximately \$90,000 damage in the Fulton. Mo., business district. The Callaway Hardware Company suffered the greatest loss, about \$35,000 to building with \$16,000 insurance, and \$25,000 to contents and fixtures with \$14,000 insurance.

#### STATES OF THE SOUTHWEST

#### Loss Ratio, Rate Decreased Investigate Dallas Practices

#### Interesting Comparisons on Fire Insurance in Texas Made by Commissioner De Weese

AUSTIN, TEX., Sept. 10.-Decrease in both the loss ratio over the past five-year period and in the average rate paid for fire insurance during the past year in Texas is reflected in figures compiled by J. W. De Weese, state fire insurance Weese, state fire insurance commissioner.

The loss ratio for the five-year period 1921-25 was .629 percent of gross premiums, while for 1929-30 it was .533 percent. The loss ratio for 1929 was percent. The loss ratio for 1929 was 511 percent, which is materially lower than in preceding years. Total pre-miums of stock fire companies in Texas for 1929 were \$30,660,542, an increase of \$743,687 over 1928. The average rate in \$1.154, which decreased in was 1929 to \$1.098.

While the volume of work of the department increased in 1929, the revenue available for that year was 10 percent partment increased in 1929, the revenue available for that year was 10 percent less than for the preceding year, and for that reason the department was criticized by some Texas cities because it could not furnish men and traveling ex-penses to make inspections, when im-provements had been made that would entitle them to a lower key rate.

#### Ingalls Is Club Speaker

OKLAHOMA CITY, Sept. 10— Methods of operation of insurance com-panies and the basis and methods of panies and the basis and methods of fixing rates were discussed at Tuesday's meeting of the Lions Club and at Wednesday's meeting of the Oklahoma City Real Estate Board by C. T. In-galls, manager of the Oklahoma Inspec-

#### **Bad Fire at Dallas**

DALLAS, Sept. 10.—The importance of bringing Dallas' fire protection up to of bringing Dallas' fire protection up to the necessary standing was emphasized by a \$250,000 fire in Oak Cliff, across the river from Dallas, last week. An inadequate water supply hindered the fire fighters greatly and demonstrated the fallacy of a comparatively small group of Oak Cliff citizens, egged on by a few self-seeking politicians, in re-fusing to abrogate the addition's ques-tionable charter rights of enjoying ar-tesian water for all purposes. Artesian wells have been the sole source of water supply for Oak Cliff throughout its his-tory but their inadequacy at crucial times tory but their inadequacy at crucial times have been the cause of a small fire spreading to the proportions of a con-

Some months ago the wells began to fail and the city water department, at the behest of its fire chief, who became alarmed at the ever-present fire hazard, always worse during the long hazard, always worse during the long summer drought, offered to turn into the Oak Cliff mains a supply of lake water sufficient to take care of all contingen-cies. However, the offer was not ac-

#### Commissioner DeWeese Sends Out Questionnaires to Dallas Agents Concerning Their Subagents

DALLAS, TEX., Sept. 10.—Commis-sioner De Weese of the Texas board of insurance commissioners has sent out questionnaires to recording agents Dallas asking them to give detailed information on all persons to whom agency is paying commissions. In a etter accompanying the questionnaire Commissioner De Weese reports receiving a letter from the Dallas chamber of commerce saying that unethical practices of rebating in the solicitation insurance are going on in Dallas. The letter from the chamber of commerce asserted that the insurance agents Dallas have absolutely no regard for the intent of the Texas law and that rebatis a common practice.

f conditions in Dallas are as repre-

sented, Commissioner De Weese sa it is the duty of the insurance board enforce the laws regarding the practice of agents discriminating between as-sureds and the qualification of agents. The questionnaire asks such questions as the amount of premiums written by the agents and what percentage is on property owned by them or their em-ployers, the amount of time spent in the insurance business and whether they are engaged in another business or not.

#### Will Meet in Shawnee

OKLAHOMA CITY, Sept. 10.-The annual convention of the Oklahoma In-surors will be held in Shawnee, according to an announcement by John Murray, president. The time, though not definitely decided, will probably be the definitely decided, will probably be the middle of November, to give members an opportunity to attend the national convention at Dallas, and have time to return home to get their business in shape to leave for the state convention, President Murray explained.

#### Tulsa Agent's License Revoked

OKLAHOMA CITY, Sept. 10.-The insurance board has revoked the license of Harry M. Kellam, Tulsa insurance

agent, because of alleged violation of state insurance laws.

It is charged that Kellam had col-lected premiums amounting to \$14,000 from Williams Brothers of Tulsa, which he had failed to turn in to the companies. The New Amsterdam Casualty and the Universal Casualty were the companies involved. The board's the companies involved. The board's revocation includes all other companies that he may represent, and prohibits Kellam from writing insurance in Okla-Kellam from writing in homa for three years.

#### Oil Committee to Meet

John K. Boyce of Amarillo, chairman John K. Boyce of Amarillo, chairman of the oil committee of the Texas Association of Insurance Agents, has announced that his committee will hold a Watson & Pearson, a new Birmingham, Ala., agency, has been incorporated by C. C. Horton, O. L. Pearson and H. W. Bostlek.

meeting in Dallas at the time of the convention of the National Association of Insurance Agents and is asking all agents who have complaints concerning the writing of oil lines in the state to write him, giving full details.

The committee was created at the San The committee was created at the San Antonio convention of the Texas association and was given authority to take such action as might be necessary for the best interests of Texas agents in writing oil lines.

#### Rate Hearing Scheduled

Notice has been received by companies and field men that a hearing to consider changes in the Texas general basis schedules and to approve forms, rules and regulations will be held Sept. 30. Forty-eight changes are to come up for discussion and the meeting will be of interest to all interested in Texas rates.

#### Heavy Iowa Damage

SIOUX CITY, IA., Sept. 10.—Dam-ge estimated by insurance adjusters at \$500,000 was done in this region Sunday by a wind and hail storm. Heavy day by a wind and hail storm. Heavy damage to crops resulted, and farm buildings were destroyed and damaged, railroad tracks washed out and many roofs torn off.

#### Regional Meetings Successful

The regional meetings of the Texas Association of Insurance Agents held at Sherman, Amarillo and Marshall were all well attended and showed a great interest on the part of agents in the work of the association. Regional vicepresidents elected at these meetings are: District No. 2, Allan N. Birge, Sherman; No. 7, J. P. Watson, Memphis; No. 8, G. K. Wines, Marshall.

The southeast Texas regional meeting

scheduled for Beaumont on Wednesday of this week was transferred to Hous-

#### Blue Goose Golf Tourney On

OKLAHOMA CITY, Sept. 10.-The annual Blue Goose golf tournament has opened with 24 ganders qualifying. Each competitor will play one match a week

until eliminated. Among the winners in rounds played up to Sept. 6 were Ed Pearson, state agent for the Aetna; W. C. Brady of the Mullen Adjustment Company, F. C. Beasley of the Phoenix and John Wilkinson, state agent for Trezevant & Cochran. In the qualifying preliminaries Ray Maxwell, state agent for the Norwich Union was the Actual Washington was the Actual Washington preliminaries Ray Maxwell, state at for the Norwich Union, was low medalist

#### Eberle Elected Secretary

Will S. Eberle, a former president of the organization and an outstanding fig-ure in the insurance business, has been elected secretary of the Oklahoma State Fire Prevention Association. Mr. Eberle was for many years Oklahoma state agent of the North America, resigning recently to open a general agency of his own in Oklahoma City.

#### Auto Service Office Meets

DALLAS, TEX., Sept. 10.—The exas Automobile Insurance Service Texas Automobile Insurance Service Office meets Sept. 17 here. A governing committee will be elected and the activities of the bureau will be reported.

#### Harry Mensman Resigns

Harry Mensman, for many years special agent for Beers-Kennison & Co., at Galveston, Tex., has resigned. He has been supervising north Texas as executive special agent, with headquarters at Dallas, Tex. Mr. Mensman has not announced his plans and his successor has not been appointed.

#### Smith With Eberle Agency

OKLAHOMA CITY, Sept. 10.—Hatler Smith has been appointed special agent for the Will S. Eberle general agency. Smith has for the Will S. Eberle general agency. Mr. Smith has had previous field experience with the North America and later with the Tom Douglas agency at

#### Smith With Hornberger-Beckmann

Ben L. Smith, for many years with the state fire insurance department fo Texas, and more recently with the Geo. C. Eichlitz agency in San Antonio, has been appointed special agent for San for

### IN THE SOUTHERN STATES

#### Annual Session Under Way at Signal Mountain, Tenn.-Giddings May Be President

MONTGOMERY, ALA., Sept. 10.— Although it is customary for the Ala-bama Field Men's Association to honor its president with a second term in office, it seems now probable that J. Y Brame of Montgomery, who has served during the past year, may decline for another year on the idea that someone else should be given a chance. In the event he is not reelected it is quite likely that Arthur E. Giddings of Birmingham, vice-president, will be elevated to the presidency at the annual meeting at Signal Mountain, Tenn., tomorrow

Fire insurance men from the entire state were headed today for the Tennes-see resort for what is predicted would be one of the largest and most successful gatherings in the history of the association. An attractive program of entertainment has been arranged.

Concurrently will be held a special meeting of the Alabama Blue Goose, chiefly to elect and install a most loyal gander in place of J. T. Robertson of Birmingham, who was chosen to that office at the recent meeting at Shocco Springs, Ala., but who found later that he could not serve on account of pressure of business.

## Alabama Field Men Meeting Expect Slump in Premiums

#### Drought in Virginia Causes Financial Distress-Carriers Are Renewing With Caution

RICHMOND, VA., Sept. 10.—The drought stricken area of Virginia is confined practically to the western section of the state including the "valley" and what is known as the southwest. Because of general distress in these sections companies are articipating. tions, companies are anticipating a considerable falling off in volume of business the rest of the year. They are naturally writing new business or renewing old with greater caution. In newing old with greater caution. In many instances, the farmers themselves are either cancelling insurance altogether as it expires, due to inability to pay premiums, or else are reducing the amount of their coverage. So far there have been relatively few fires in the stricken areas. Ex-Governor Harry Byrd is chairman of the state drought committee conversing with the federal committee cooperating with the government in efforts to enable the farmers through extension of credit and otherwise to get back on their feet.

#### Hold Agency Contract Was Not Made With Individual

RICHMOND, VA., Sept. 10.-American Employers sought to have the license of James W. Sharp, Jr., either revoked or suspended for alleged failure to account for \$1,342 premiums col-lected while he was secretary-treasurer ners were

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een

ma eral and manager of Collier & Hardwicke, Richmond local agency. The company based its claim on the fact that Sharp was licensed personally as its representative in that city. In proceedings before the state corporation commission, Sharp's defense was that the contract was in reality between the company and the agency and not with the individual defendant; that the premiums were collected by the corporation and deposited to the credit of the corporation; that all financial dealings were with the corporations.

lected by the corporation and deposited to the credit of the corporation; that all financial dealings were with the corporation, and that there was no trust relationship with the individual and no default on his part.

Ruling in favor of Sharp, the commission held that the relation of debtor and creditor existed as between agency and company and that the evidence failed to establish misappropriation of funds. From this ruling, the company has appealed to the court of appeals which has agreed to review the case.

#### Plan Confab on Contingent

ATLANTA, Sept. 10.—At the mid-year meeting of the executive commit-tee of the Georgia Association of Insur-ance Agents here last week, plans for a conference between local agents of the Carolinas, Florida, Georgia and Ala-bama and the Southeastern Underwritbama and the Southeastern Underwriters Association on contingent commissions, to be held after the Dallas meeting of the National Association of Insurance agents, was considered.

A number of routine matters that
were referred to the executive committee by the state association at the Brunsmick specifing in June were also considered.

wick meeting in June were also considered. It was decided that a list of licensed non-resident agents and brokers in Georgia will be distributed by the committee. The discussion of the contingent commission question was de-ferred until after the Dallas meeting.

#### Grider Permanent Secretary

Paul Grider of the North British fleet, who has served as temporary sec-retary of the Kentucky Fire Under-writers Association, has been made per-manent secretary, succeeding E. A. Parsons, resigned. This was the principal action at the first fall meeting last

#### Publicity Campaign Discussed

MACON, GA., Sept. 10.—Executive committeemen of the Georgia Association of Insurance Agents met with the Georgia Fieldmen's Conference and discussed the publicity campaign of the National Board here yesterday.

#### Montgomery Exchange to Meet

Montgomery Exchange to Meet
MONTGOMERY, Ala., Sept. 10.—
The Montgomery Real Estate & Insurance Exchange will hold its monthly meeting and luncheon tomorrow. Most of the members have been so busy with the rental season that they have had little time to consider topics to bring up for discussion. Hartwell Douglass, the new president, who recently succeeded Carl Wilson, will preside.

#### Bureau Men Address Firemen

At the Kentucky Firemen's Association meeting at Paducah, R. W. Keenon, department of fire prevention and rates, Frankfort, spoke on state standards of safety and duties of fire chiefs as deputy state fire marshals, contending that every fire chief is ex-officio a deputy fire marshal, and obliged to investigate where incendiarism is indivestigate where incendiarism is indicated.

Ray W. Channerberry, engineer Ken-Ray W. Channerberry, engineer Ken-tucky Actuarial Bureau, gave an elec-trical demonstration and discussed elec-tric fire hazards. Clarence Goldsmith, assistant chief engineer National Board, discussed increasing difficulties of fire-men because of the ever-increasing number of fire hazards and greater con-centration of property values

Capt. S. C. Render of the Kentucky Actuarial Bureau was reelected secre-

#### **Heads Blue Goose**



LOUIS E. ENGLISH

Louis E. English, president of Louis Louis E. English, president of Louis E. English general agency at Richmond, succeeds John H. Cato as most loyal gander of the Virginia Blue Goose. Other officers chosen are: Charles B. Coulbourn, supervisor; W. Cary Marshall, custodian; E. B. Fraley, guardian; George A. Banta, keeper; A. F. Turton, wielder.

### News of Pacific **Coast States**

#### Fire Chiefs Hit Fireworks

Prohibition of Manufacture, Sale, Transportation or Use Urged at Oakland Convention

OAKLAND, CAL., Sept. 10.—Resolutions calling on the states within the jurisdiction of the organization to enact laws prohibiting the manufacture, sale, transportation and use of fireworks and transportation and use of fireworks and the use of tents or other temporary structures for housing shows or goods were adopted by the Pacific Coast Association of Fire Chiefs at the annual convention in Oakland.

Capt. William Groce, Washington state fire marshal, declared that 25 percent of the annual \$500,000,000 fire loss may be laid to crimes of arson, according to records compiled by the National Board.

Board.

The new talking-motion picture, pre-pared under the direction of Chief R. J. pared under the direction of Chief R. J. Scott of Los Angeles, president of the International Association of Fire Chiefs; Frank J. McAuliffe of Chicago and Capt. J. J. Conway of Cincinnati, and completed through the cooperation of the National Board, was shown for the first time. It illustrates the methods employed by the salvage trained fireman.

man.

Frank J. Agnew, assistant secretary of the Fireman's Fund, chairman of the association's banquet committee for a number of years, was elected an honorary member and presented with a handsome traveling bag. Jay W. Stevens of the National Board was again elected secretary.

#### Washington Agents Lobby for Qualification Law

Members of the Insurance Agents League of Washington are busy these days buttonholing state legislators in behalf of the agency qualification law

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which will be submitted to the Washington legislature in January. The Insurance Exchange of Seattle, of which C. B. White is president, has been especially active in lobbying for the bill and the report is that 75 percent of the members of the legislature and candidates in Kings county (Seattle) are pledged to support this bill. Furthermore a large proportion of the candidates in the neighborhood of Spokane are said to be favorable to the legislation. legislation.

#### No Quake Rate Reduction

SAN FRANCISCO, Sept. 10.—Rumors here that the Pacific Board is contemplating a reduction in earthquake rates have been officially "squelched," the board advising that at present there is no thought or likelihood of such a

#### Board Gets Chain Store Line

As evidence of the success of the members of the California Association of Insurance Agents in their efforts to obtain the insurance business of chain stores in their home town, M. R. Jolimay, president of the San Jose Association of Insurance Agents, has announced that Hale Bros. Stores, chain dry goods organization, has selected the local association to act as brokers in handling all lines on their property and stock in San Jose. stock in San Jose.

#### Warehouse Loss \$500,000

WOODLAND, CAL., Sept. 10.— Damage estimated at more than \$500,-Damage estimated at more than \$500,-000 occurred yesterday in destruction of the Sutter Basin Corporation ware-house at Seymour, Sutter county, to-gether with some 33,000 tons of grain.

#### **New Ordinance Provided**

SAN FRANCISCO, Sept. 10.—Assurance that the ordinance sponsored by the San Francisco junior chamber of commerce, asking for the appointment of a fire prevention committee to cooperate with the various city departments on the matter of fire prevention, would be passed by the board of supervisors within the next 40 days has been given by Supervisor Andrew J. Gallagher at a luncheon meeting.

Franklin K. Wentworth, managing director of the National Fire Protection Association, spoke briefly on fire prevention. SAN FRANCISCO, Sept. 10.-As-

Any

Design

nies at Del Monte Sept. 15-17, according to C. A. Bonner, manager of the western branch.

western branch.

A number of home office officials will be present, among them W. L. Mooney, vice-president; W. H. Dallas, assistant vice-president life department; C. J. Langley, assistant secretary automobile department; James Moody, Jr., superintendent life agency department; R. A. Mallery, field supervisor; C. T. Spaulding, field supervisor, and Thomas Fraher, field engineer.

A similar conference is to be held in Los Angeles Sept. 25-26.

#### Report on Portland

Practically the only serious criticism of Portland, Ore., contained in the re-port of an inspection by National Board engineers is that the eastern half of the congested value district is subject to a high potential hazard and serious block fires easily might occur, which if be-yond control of the fire department readily could involve a considerable area. The report stresses, however, that excellent fire fighting facilities and other features are mitigating factors and area. The general conflagration hazard is moder-

Water supply is adequate and fairly reliable, fire department well equipped, although slightly undermanned and conalthough slightly undermanned and considerably undertrained. The fire alarm central office has recently moved to its new fireproof building with many new lines and boxes added, although with some unreliable features; building laws are comprehensive and generally good and there is a comprehensive electrical code in force, with good supervision. The large amount of frame construction along the river in individual industrial plants makes possible serious fires. Some of these plants cover large areas.

#### Damages 400 Acres of Tomatoes

A severe hailstorm, lasting not more than ten minutes, left a wide strip of damage to the crops in the vicinity of Clearfield, Utah, a district which has for many years specialized in the raising of tomatoes.

In addition to damagng 400 acres

In addition to damaging your acres of tomatoes a loss is also reported to peaches, pears and sugar beets. David W. Duncan, supervisor of the Woods Cross Canning Company at Clearfield, reports that four canning companies would each lose from 75 to 100 acres.

Peaches and pears were riddled and

Aetna Meeting in Del Monte

Present indications are that more than 160 will attend the conference of the Aetna Life and affiliated compa-

### EASTERN STATES ACTIVITIES

President of Agents' Association Gives Talk at Connecticut Insurance Day Celebration

An insurance day gives everyone at-tending a clearer conception of the mag-nitude of the insurance profession and, nitude of the insurance profession and, quite importantly, also augments educational effort of agents associations, F. W. Brodie, president of the Connecticut Association of Insurance Agents, stated in his address at Connecticut Insurance Day, Hartford, Sept. 9. He said not the least of its value is in making new contacts with others engaged in the insurance business and the exchange of ideas and valuable information, as well as bringing the public into closer contact with insurance men and

Brodie Speaks at Hartford little bailiwick, and such narrow vision leads to business troubles. Mr. Brodie leads to business troubles. Mr. Brodie extended a welcome to all in attendance in behalf of Commissioner Dunham of Connecticut, the general committee and the Connecticut association.

#### Ellis Westchester County Speaker

NEW YORK, Sept. 10.—Warren W. Ellis, manager of the public relations division of the National Board, will be the chief speaker at the gathering of the Westchester County Association of Local Agents, at the Hollow Brook Country Club, the evening of Sept. 15. He will tell the local men the aims and purposes of the National Board in its present general advertising campaign, specifically noting how it may be tied in with the activities of the agents. NEW YORK, Sept. 10.-Warren W.

#### New York Agencies Incorporate

ALBANY, Sept. 10.—Eleven insurance agency corporations were formed in New York State in August, six in greater New York and five elsewhere in the state. The upstate agencies include: Glesecke-Marion Co., Buffalo, Oscar H.

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Giesecke, Joseph A. Marion and Stanley H. Montfort; Kenneth B. Curry, Inc., Livingston Manor, Kenneth B. Curry, Charlotte Curry and Elizabeth Curry; Kathryn McDermott and Mae K. Stevens; Buglione Agency, Mount Vernon, Philip S. Buglione, Arcangelo P. Buglione and non, Samuel M. Salovich, Abraham H.

#### IN THE MOUNTAIN FIELD

DENVER, Sept. 10.—Renewed activity by insurance men throughout the mountain area during the fall months was predicted by Herbert Stebbins, of Cobb, Miller & Stebbins, general agents. "The greatest damage to our business through the summer months," he said, "has come from the unnecessary spread of a wrong psychology. It doesn't help business any to have people complaining about bad conditions. I think we are going to have a wonderful business this fall. Field men who come in from their territory out here report the country is territory out here report the country is in fine condition. Colorado is harvest-ing one of the biggest crops in its hising one of the biggest crops in its history. We suffered very little from the long drought. I just received a settlement check from an agent in eastern Wyoming who reports the best conditions there in 17 years."

Attend Grand Nest Meeting

DENVER, Sept. 10.—Most of the Colorado delegates to the Blue Goose convention at Rapid City, S. D., left

Stebbins Predicts Good Fall
Denver General Agents Says Field Men
Report Fine Prospects in Colorado
and Wyoming

DENVER, Sept. 10.—Renewed activity by insurance men throughout the mountain area during the fall months was predicted by Herbert Stebbins, of Cobb, Miller & Stebbins, general agents. "The greatest damage to our business through the summer months," he said, "has come from the unnecessary spread of a wrong psychology. It doesn't help.

Loses Race with Death

DENVER, Sept. 10.—George A. Of-on, manager of the Albuquerque, N. son, manager of the Albuquerque, N. M., office of the Southwestern Adjustment, lost in a race with death last Thursday when he was traveling via airplane to Los Angeles where his wife lay critically ill. Mrs. Olson died one hour before her husband reached her side. She had been an invalid.

W. J. Kulp, manager of the Mountain States Inspection Bureau, who was named an alternate delegate to the Blue Goose grand nest meeting at Rapid City, S. D., next week, will attend the meeting in the place of Joseph C. Dinhaupt, manager of the loss department of the Daly general agency, who will be unable to attend.

# Thomas T. North

Adjustment Company

Automobile—Fire, Theft, Collision Conversion - Liability **Property Damage Inland Marine** Burglary

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Inter Insurance

Here's a book giving the low down on reciprocal and inter-insurance exchanges written by John F. Ankenbauer. Price \$1. Order from The National Underwriter, A1946 Insurance Exchange, Chicago.

MOTOR INSURANCE NEWS

New York Department Gives Approval Which Permits Deviation from

Manual Rates

The New York department has given approval to the Century for separate filing of automobile rates, which enables filing of automobile rates, which enables the company to write automobile insurance for fire, theft, collision and property damage at 15 percent reduction from manual on business domiciled in territories outside the boroughs of Manhattan, Bronx and Brooklyn, New York. An important item is that no charge will be not for a sufference of the control of

will be made for pilferage cover.

The valued fire and theft policy may be written at manual rate. On business domiciled in the three boroughs full domiciled in the three boroughs full manual rates are charged for fire, theft and full cover collision, but deductible forms of collision and property damage are 15 percent less than manual. No additional charge is made for valued fire and theft policies, and for pilferage cover extra charge is \$7.50 a car instead of the \$10 charged by most auto companies.

Complain of Rate Cutting

Severe rate cutting on fire and theft writer.

Century Can File Separately cover for fleets in New York and generally throughout the east is complained erally throughout the east is complained of by automobile underwriters. Several examples are cited. One New York office reports losing a line on which it made a very low bid. Another office wrote fire and theft on fleets at 50 percent of the fire rate with the theft cover thrown in. A New York local agent reports that this latter appears to be the prevailing rate on fleets in New York City.

Union Auto Managers Meet

SAN FRANCISCO, Sept. 10.—Prior to the convention of general agents and managers of the Union Automobile at the home office in Los Angeles Sept. 10-14, 16 of them were entertained with a sightseeing tour about San Francisco and Oakland Sept. 9 by J. L. Maritzen, vice president and general manager, who came to San Francisco to greet the visitors. The party went to Los Angeles by steamer as guests of the company arriving in time for the opening business session today. The four-day session will close with a banquet Saturday evening, attended by 125 representatives of the company, including the honored guests and entire official family. SAN FRANCISCO, Sept. 10.-Prior

Wide-awake agents subscribe for per-onal copies of The National Under-

W. H. KUHLMAN, President

Organized 1865

WM. F. KRAMER, Secretary

The RELIABLE FIRE INSURANCE COMPANY DAYTON, OHIO

Surplus to Policyholders \$1,066,134.00

An independent Ohio Company with a record of more than 60 years of honorable dealing with Agents and Assureds



# "GENERAL" VIEWPOINTS

V-In Which We Make an Important Announcement!

In a few decades, American companies have developed the casualty-surety lines to a degree unparalleled abroad. Engrossed in that task, it is perhaps natural that they failed adequately to cultivate the secondary field of casualty-surety reinsurance. While scores of new companies, attracted by the volume to be found in direct production, have been crowding an already overcrowded field, a mere handful have been endeavoring to meet the country's reinsurance needs.

The consequent lack of carrying capacity and retrocessional facilities has been a potent factor in driving millions of premium dollars abroad, where reinsurance skill has been unable to compensate for the disadvantages produced by distance, unfamiliarity with native conditions and the loss of admitted cover. To the same causes, particularly in suretyship, we owe the long continuance here of the facultative system—the most dilatory, expensive and cumbersome which the mind of man could devise.

General Surety Company now announces its entry into the American reinsurance field. There it will be, we hope we may be pardoned for saying, the largest company in the world devoting itself to casualty and surety reinsurance. Its accession not only increases the aggregate capital funds in the American reinsurance market by nearly one-half, but also enlarges the aggregate admitted carrying capacity upon any single risk by one million dollars.

We have ventured to call this announcement important because, to direct insurers, the withdrawal of a large and influential company from the congested primary field, and its transformation from a competitor into an auxiliary, must be regarded as constructive. General Surety Company will have no agents and no branch offices. Save for its controlled lines in New York, which will be divided with its ceding companies, it will handle no direct insurance.

The announcement is important, too, to the American reinsurers, among whom we hope to find a welcome. We come, not with the expectation of absorbing a portion of the business now held by them, but rather with the purpose of helping to create, through increased facilities and a sincere and intelligent cooperation with them, a greater reinsurance market in this country. And we extend to them our retrocessional lines, even as we invite their retrocessions.

Strong, powerful, staffed by men experienced in and having a sympathetic understanding of the problems of the direct writing companies, General Surety Company will adhere to manual rates and practices, will accept no reinsurance, whether cession or retrocession, originated by non-stock carriers, and will seek in all things to forward the interests of that Association group of which, although now a reinsurance company, it is, and ever expects to remain, a part.

Executive Vice-President

GENERAL SURETY COMPANY

340 Madison Avenue, New York

Capital and Surplus \$10,000,000

# The National Underwriter

September 11, 1930

#### CASUALTY AND SURETY SECTION

Page Thirty-seven

## Responsibility Law Snags Told

Limitation of Authorized Insurers is Problem for Non-Resident Driver

RECIPROCITY IS NEEDED

R. Leighton Foster Advises Commissioners A. A. A. Measure Contains Solution

The problem of reciprocity among states and provinces of Canada under financial responsibility laws was presented as an important issue by R. Leighton Foster, superintendent for Ontario, in his address before the National Convention of Insurance Commissioners at Hartford. Mr. Foster is the newly elected president of the Association of Superintendents of the Provinces of Canada. "Some Problems Arising Out of Automobile Safety Responsibility Laws" was the subject of Mr. Foster's

A source of potential embarrassment to nonresident motorists exists, according to Mr. Foster, in those states which demand that proof of financial respondemand that proof of financial responsibility be given by policies of insurance carriers authorized to operate therein. Mr. Foster added that this feature of financial responsibility laws might cause embarrassment to some of the thousands of American tourists entering Ontario and that conversely Canadian tourists in American states with financial responsibility laws might be submitted to the same inconvenience. The speaker declared that Canada wants American tourists and that Ontario is seeking some solution of the problem. problem.

Problem Is Academic

In responding to Mr. Foster's address Commissioner C. D. Livingston of Michigan was inclined to minimize the problem. Theoretically the problem the problem. Theoretically the problem is grave, but Mr. Livingston reported that he had conducted a survey which indicated that there is no evidence that insurance companies are not paying judgments rendered against their assureds who are brought to judgment in states where the carrier is not licensed. "If judgments," Mr. Livingston declared, "are being paid, that is all that is necessary and it would seem to be an added burden requiring companies doing business in a limited territory to qualify in the state where a judgment is rendered in order to have their certificates of financial responsibility accepted."

The solution which Mr. Foster sug-

The solution which Mr. Foster suggested was approved by Mr. Livingston. A feature of the revised American Automobile Association bill was declared to be mobile Association bili was declared to be satisfactory. This feature enables any insurance carrier to arrange to have its certificate accepted as proof of financial (CONTINUED ON PAGE 47)

#### Nichols Elected President of the North Dakota Federation

OPPOSE UNFAIR COMPETITION

Agents Resent Stock Company Adjusters Working for Mutuals-Also Criticise Advertising

NEW OFFICERS ELECTED President—J. F. Nichols, Oakes. Secretary—Frank W. Newberry, James-

town.
Treasurer—Julius Baker, Fargo.
Vice-President—Will be named by executive committee.
Executive Committee—Charles Dawson,
Fargo; Pat Byrne, Bismarek; George
Leick, Hebron; Orrin J. Trimble, Devils
Lake, and Capt. H. L. Edwards, Grand
Forks.

BISMARCK, N. D., Sept. 10.—Sentiment in favor of a financial responsibility law modeled on American Automobile Association plan was expressed by North Dakota insurance men at the annual convention of the North Dakota Insurance Federation here Monday. The action of North Dakota Bar Association recommending such a law was endorsed and insurance men will support bill when presented.

Originally planned for two days the convention was condensed into one day session. The morning session was devoted principally to round table discussion on unfair competition led by J. F.

session. The morning session was devoted principally to round table discussion on unfair competition led by J. F. Nichols of Oakes and Charles Dawson of Fargo. Mr. Nichols told of fraudulent advertising in his territory and detailed protracted efforts to secure action by Commissioner Olsness. Particular objection was made by Mr. Nichols to mutual companies claiming to be non-assessable because their excess was reinsured and his compaign was designed assessable because their excess was re-insured and his compaign was designed to prevent use of word non-assessable in such advertising Mr. Nichols urged agents to talk plainly to prospects avoid-ing technical terms and to take for granted prospect knows a little about

#### Adopt Bitter Resolution

Mr. Dawson complained in his talk of cut-rate carriers' advertising which is full of misrepresentation. He also lam-basted the automobile policies with lim-ited coverage and many exceptions. Mr. Dawson raised question of the propriety of adjustment offices operated by stock companies adjusting losses for mutuals

of adjustment offices operated by stock companies adjusting losses for mutuals as well as stock companies. As a result the convention passed a resolution bitterly resenting such practice.

H. L. Reade, state fire marshal, outlined the North Dakota fire prevention work and pleaded for the federation's support of fire prevention week in opening afternoon address. He was followed by Clay Smith, Fargo, who discussed National Board newspaper advertising. He urged agents to cooperate individually and collectively with National Board in its work. He advised agents to secure cuts and mats from companies instead of using their own copy and then to localize it. Walter W. Belson, editor of the "Insurance Federation News," discussed trends in in insurance legislation. Mr. Belson pointed out the necessity for wiping out North Dakota monopolistic workmen's compensation insurance fund before it

#### Attorney Foresees Passing of Limitations on Aviation

EXPERIENCE STILL SKETCHY

Reeder Tells Insurance Council in Ottawa Meeting Accident Forms Will Be Broadened

The complexity of clauses in acci-The complexity of clauses in accident policies relating to aircraft was discussed at the Ottawa, Can., meeting of the International Association of Insurance Council Sept. 11 by William O. Reeder, St. Louis, Mo., attorney and member of the legal firm of Jones, Hocker, Sullivan & Angert. Mr. Reeder said there is nothing which limits insurance against the aircraft hazard except the rate, and that given accurate statistics on any particular risk the rate makes itself and the risk thereupon may be safely underwritten.

be safely underwritten.

He said statistics are lacking upon which to construct a rate known to be which to construct a rate known to be adequate to the aircraft hazard and so the companies, which have a solemn duty to the policyholders to remain solvent at any cost, must hedge themselves about with protection against this unknown and therefore terrifying risk. He compares the manifold restrictions in the aircraft clause to the old clause used in the past not permitting insured to in the past not permitting insureds to live permanently south of the 33rd par-allel in the United States. He intimates that in time insurance men may be able similarly to laugh at the many aircraft restrictions now in force

#### Confusion in Rulings

The whole subject is so new that no set formula to express this exemp-tion has yet arisen," he says. "One pol-icywriter does the thing, or attempts to do it, in one way, and another in an-other. The result is of course confusdo it, in one way, and cother. The result is of course confusing in judicial interpretation. In no
field do we learn more slowly or bitterly by experience than in policywriting. And so the long suffering policy
writer, confronted by one of these decicions mends his sentences and changes sions, mends his sentences and changes his language to try to make it express what he intended it to clearly mean in the beginning.

#### Set Formula Will Evolve

"Ultimately these problems will have their solution and a set formula will be evolved which will eliminate the risk as it is intended to be eliminated, and still more ultimately statistics of death and dismemberment will include those and dismemberment will include those who are wont to go up in the air in ships and the whole problem will thus pass into the limbo of the beyond and the companies will lay no more embargoes on sailing the ether than are now laid upon sailing the sea."

He says the flying machine clause in accident policies has been construed by many courts of recent years and there are two well marked lines of decisions, one in favor of the beneficiary and one in favor of the company, the score so far being just about a draw.

is expanded to include an automobile compensation fund along the Marx plan. The convention closed with a banquet at which Governor Schafer made the

### Urges Study of Claim Lessons

Check Anticipations by End Results, Dr. H. W. Dingman Advises

CLAIM MEN CAN HELP

Speaker Tells International Claim Association Members to Classify Claims by Hazard Indicated

Greater teamwork between underwriters and claim men was advocated by Dr. Harry W. Dingman, medical director Continental Assurance of Chicago, in his address before the annual convention of the International Claim Association in Ottawa.

"It is to the best interest of our companies," Dr. Dingman declared, "if underwriters and claim men work together. Surely the intensive study of human nature permitted by review of claim papers should reveal lessons usable by selectors. Surely selectors should study end results of their underwriting as shown in the claims that are

writing as shown in the claims that are presented and check their anticipations with the actual happenings."

Although the loss ratio is not and should not be blamed or credited to the claim department, Dr. Dingman urged that claim men contribute their advice to underwriters in an attempt to elimi-nate unfair claims. The speaker sug-gested that claim men classify all claims gested that claim men classify all claims as to whether moral hazard, mental attitude hazard, or physical hazard is indicated and "give your underwriters a mark to shoot at, the reduction of moral and mental attitude cases from year to year."

#### Identifies Claim Type

"We agree that the chief accident and health hazard is moral," Dr. Dingman added. "You know the claim type: not well when they apply; not sick when they collect. Perhaps the next most dangerous hazard is psychical, the mental attitude toward claims. Many of our claimants, accept the idea of sickness claimants accept the idea of sickness too readily and resist the idea of re-covery too lingeringly, and may be en-tirely sincere in doing so. The third

covery too lingeringly, and may be entirely sincere in doing so. The third major hazard, physical, is intelligently guarded against by well informed underwriters."

Reasonableness, according to Dr. Dingman, should be the predominant charactertistic of a claim man. "Selectors," he said, "are endeavoring to sell reasonable protection to reasonable persons even as claim men desire to pay reasonable indemnity to reasonable claimants.

#### Rules for Claim Man

"To be reasonable," he continued, "means to be equitable and fair; to act according to reason; to use proper judg-ment and deducing inferences from (CONTINUED ON LAST PAGE)

#### Connecticut Insurance Day Draws a Large Attendance

DEBATE "MEETING ISSUES"

Many Visiting Commissioners and Other Insurance Celebrities Lend Color to Hartford Event

#### By R. B. MITCHELL

HARTFORD, CONN., Sept. 10.-Addresses on present day trends in the fire, life, and casualty fields, followed by three talks on "Meeting the Issues," from the viewpoint of companies, agents and the public, occupied the morning session of the sixth annual Connecticut

Insurance Day.

General Chairman James L. Case General Chairman James L. Case presided and officially welcomed the gathering, which assembled in the auditorium of the Travelers building. James Wyper, president of the National Board, stressed the development of preventive measures as no less important a function of a fire company than the indemnity feature, citing the case of a casualty company which pays four times as much for

a hre company than the memnity reature, citing the case of a casualty company which pays four times as much for
boiler inspections as it pays in claims.

The principle of preventive accidents,
rather than paying for damage, was also
brought out by James A. Beha, general
manager National Bureau of Casualty
& Surety Underwriters.

"In spite of a 15 percent increase in
motor traffic over the same month of
last year, August, 1930, showed a decrease of 25 percent in auto deaths, due
to the 'save a life' campaign." said Mr.
Beha. In spite of the complexities which
naturally beset a relatively new line, the
casualty business has gone ahead until
it has passed the \$1,000 000,000 premium
income mark, Mr. Beha said.

State regulation is not at all to be de
plored, the speaker said, the attitude of

plored, the speaker said, the attitude of the commissioners usually benefiting both carrier and insured.

"A depression-proof and prosperity-proof investment" was the way John M. Laird, vice-president Connecticut Gen-eral Life, characterized life insurance. Expansion in the life field, he said, lies mostly in having increasingly well trained salesmen. mostly in havi trained salesmen.

#### Bennett Gives Address

M. Clark Terrill, vice-president Phoenix Mutual Life, discussing "Meet Methe Issues" from the companies' view-"Meet Me the Issues" from the companies' view-point, touched on the need of conserva-tion at a time when there is an excess above normal of \$100,000,000 in policy loans. He urged reduction of turnover among life salesmen through more careful selection, better training, policies de-signed to meet modern needs, and minimizing of waste effort through adver-

Walter H. Bennett, secretary-counsel of the National Association of Insurance Agents spoke of the growth of the as-

Agents spoke of the growth of the association, which recently passed the 12,000 mark and went over its 10 percent yearly increase quota.

William H. Fortune, vice-president Shawmut National Bank of Boston, talked on cooperation between banks and insurance men. and insurance men.

As a representative of the public he

remarked that apparent contradictions by rival salesmen confuse the prospect and do not help the business in general.

and do not help the business in general.

At the banquet at the close of the day, James L. Case of Norwich was toastmaster. The speakers were Commissioner Dunham of Connecticut, Judge Chester B. Iordan of Keene, N. H., and Strickland Gillilan, the humorist.

The Connecticut Insurance Day people invited visiting commissioners and

ple invited visiting commissioners and ple invited visiting commissioners and their guests to luncheon Tuesday. Mr. Case presided at the function and introduced Col. H. P. Dunham, Connecticut commissioner, as master of ceremonies. Brief talks were made by Commissioners Yenter of Iowa, Taggart of Pennsylvania, Cochran of Colorado, Lawson of West Virginia, Beha of New York and Thulemeyer of Wyoming.

State Commissioner of Police Hurley

#### Claim Men's Head



E. L. EARL

E. L. Earl, superintendent of claims E. L. Earl, superintendent of claims for the Sun Life of Canada, is presiding this week at the annual meeting in Ottawa. Ont., of the International Claim Association, of which he is president. The association, originally composed only of accident and health claim men, now takes in also the disability claim men for life companies, who com-pose a large part of its membership.

of Connecticut, State Librarian Goddard, State Comptroller Salmon and Collector of Internal Revenue Eaton also spoke.

At the afternoon meeting Tuesday At the alternoon meeting Tuesday, free and casualty men met together with F. W. Brodie of Waterbury, president Connecticut Association of Insurance Agents, presiding. President Smith of Agents, presiding. President Smith of the National Association of Insurance Agents in his talk advocated a policy of administration if possible where com-panies and agents work in harmony. Controversies are unfortunate. They breed acrimony. Mutual respect, he said, should be engendered. In Michigan,

breed acrimony, should be engendered. In Micrigan, he said, there is cooperation on part of companies, agents and the insurance department. Good local boards, he assem satisfactory local department.

#### Deprecates Propaganda

He deprecated insidious propaganda directed against the National association in California and Texas. It usually centers about supposedly excessive salaries paid association officers. No salary is paid any officer except those at the New York office. Mr. Smith said he personally will spend \$3,000 over and above expenses allowed, but he stated he has gotten far more good than that sum represented. At the Dallas meeting, he said, one session will be spent in group conferences composed of those writing various amounts of premiums, three in all. three in all

three in all.

T. B. Donaldson, former Pennsylvania commissioner, declared that the public mind conceives insurance as one thing. It does not divide it into classes. F. V. Bruns, president Excelsior Fire, deplored acts by insurance men that leave scars in the public mind. He said they are great preachers but poor practicers. practicers.

#### Bruns Makes Request

He called on the "American Agency Bulletin" to publish the fact that the house that manufactured its paper and its ink and the printing house it pat-ronizes carry nothing but stock insurronizes carry nothing but stock insur-ance. Mr. Brodie drew out some dis-cussion of smudge insurance. He thinks there is fault in the form.

It now requires full coverage, whereas the real damage is not likely to be heavy. Mr. Brodie said the installment payment plan had improved his collec-

#### Illinois Attorney General Rules on Examiners' Right

MUST HAVE ORDER OF COURT

Great American Casualty Case Draws Opinion as to Whether Insurance Department Can Probe

Attorney General Carlstrom of Illi-nois has ruled that an order of the court is required for state insurance examiners to have access to the books of an insurance company which is operating under the jurisdiction of a court. It comes up in connection with the Great Amer-ican Casualty of Chicago imbroglio. The attorney general holds that a company operating under the supervision of a court which refuses to admit the state examiners is not making itself liable to punitive action by the head of the insurance department. The opinion the insurance department. The opinion declares that where a company is not operating under the supervision of a court it must open its books to the examiners on demand of the insurance

#### Position of the Company

The officers of the Great American The officers of the Great American Casualty refused to admit the examiners on July 21. Receivership action has been pending against the company for some time. The officers declared that the state department has made unnecessary examinations. The company held that it would not open its books until the outside the court when the court was the court when the court was the court was the court when the court was the court was the court was the court when the court was the co so ordered by the court. When it re-fused, the insurance department notified the Great American Casualty that an the Great American Casualty that an examination of it and the Pacific States Life of Los Angeles, which was reinsuring its health and accident business, would be required before the reinsurance agreement would be ratified.

#### Mandamus Action Brought

The Pacific States Life brought mandamus proceedings to force the department to grant a license so that it could proceed with its reinsurance deal. In a recent cross bill which was filed in the receivership action against the Great American Casualty, it was declared that the insurance department had said that if the Pacific States Life was successful in its mandamus action, the department would not further delay the reinsurance transaction.

#### Demerit Rating Plan Urged by Massachusetts Governor

Prompted by the projection of a tentative 6 percent automobile liability rate increase in Massachusetts, Governor Allen has issued a statement advocating an individual demerit system of rating so that the burden of higher insurance cost may be borne by motorists responsible for accidents. Governor Allen expressed the hope and expectation that the incoming legislature will adopt the demerit plan. He expressed regret that the plan could not be instituted in time

to affect the 1931 rate, which must be established by Sept. 15.
Governor Allen reviewed the efforts which his administration has made to curtail automobile accidents in Massachusetts and deplored the fact that in spite of that effort in 1929 the number of serious and fatal accidents in Massa-chusetts reached a record toll, necessi-tating an average increase of 6 percent in the rates for compulsory automobile

liability insurance for 1931.
"All operators should not be com-"All operators should not be compelled to pay the increased rate for which a small percentage are responsible," Governor Allen declared. "The operators who cause the accidents should pay for the higher rate. I believe we should adopt a rating plan which penalizes the operators who are involved in izes the operators who are involved in accidents, in other words, an individual demerit rating plan."

#### Announce Speakers for Big Casualty Meeting

HARTFORD, Sept. 0 .- The program HARTFORD, Sept. 0.—The program for the big casualty convention at White Sulphur Springs is beginning to take shape. B. J. Mullaney of Chicago, who is connected with the People's Gas Light & Coke Company, and is president of the American Gas Association; Samuel O. Dunn, editor of "Railway Age," Merle Thorp of the "Nations Business," Professor Dobie of the University of Virgin'a Law School, and James A. Beha, general manager of the Business, Professor Dobie of the University of Virginia Law School, and James A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, will speak.

#### Darby Day Interests Take Over Liberty of Dayton, O.

DAYTON, O., Sept. 10.—The Darby Day Investment Corporation today took over the stock control and management of the Liberty of Dayton. All the old directors and officers resigned and the directors and officers resigned and the following directors were elected: Darby A. Day, J. B. McCutchan and W. L. Taylor, Chicago; J. C. Anderson, St. Louis, and Elmer B. Lohman, Fort Wayne, Ind. Mr. Day was elected president and treasurer; W. L. Taylor and Elmer B. Lohman, vice-president; J. C. Anderson, chairman of the board; J. B. McCutchan, vice-president and secretary. The company is in strong financial condition and showing substantial increase in volume. The new management expects to make a strong drive for volume. drive for volume.

#### "Nick" Lewsen Resigns

Nicolaus ("Nick") Lewson, experienced salesman who had a rapid rise in the National Surety organization in the east, has resigned after 11 years with the company. Four weeks after going with the National Surety he became local manager in Newark and shortly thereafter that city was leading the country. Four weeks later he became state manager and his progress the country. Four weeks later he be-came state manager and his progress was so rapid that he was promoted to supervisor of eastern Pennsylvania and New Jersey. Later he was sent to New York to head an important unit. Under his management direct selling was elimhis management direct selling was elim-inated and the joint efforts of special field men, agents and brokers were utilized with success.

#### Aetna Has New Contract

NEW YORK, Sept. 10.-The Aetna Life and affiliated companies have issued a new form of contract granting home a new torm of contract granting home owners protection against loss by robbery, water damage, plumbing breakage, public and employers liability and glass breakage. The contract is issued to homes valued up to \$15,000. Annual rate for combination cover is \$30, plus the hurglary premium the burglary premium.

#### Warmoth Leaves Federal Surety

DAVENPORT, Ia., Sept. 10.-Ernest DAVERPORT, Ia., Sept. 10.—Ernest R. Warmoth, for the past six years su-perintendent of the liability and com-pensation department of the Federal Surety, has resigned. He had been as-sociated with the company eight years, coming here as safety engineer.

#### Joseph Tyrrell Dead

Joseph Tyrrell Dead
Joseph Tyrrell, 74, president of the
Builders Mutual Casualty, Madison,
Wis., died suddenly at his home there
following a heart attack. He retired
from the contracting business about
eight years ago to devote his full time
to the Builders Mutual Casualty, which
was organized while Mr. Tyrrell was
president of the Master Builders Association of Wisconsin in 1914.

The St. Paul-Mercury Indemnity has been licensed in Massachusetts to write a u to mobile casualty lines and has O'Brion, Russell & Co. of Boston as agents.

Gen

Sept

Offic

pres busi to of Dor office age con wri

#### General Surety Changes to Reinsurance Company

DONGEGAN GIVES REASONS

Official Declares That Direct Writing Field Is Overcrowded With Hungry Maws

The General Surety of New York, of which E. J. Donegan is executive vice-president, will hereafter write no direct which E. J. Donegan is executive vice-president, will hereafter write no direct business but will confine its operations to casualty and surety reinsurance. Mr. Donegan states that during the year the officials have made a careful survey of agency conditions. He states that the conclusion reached was that the direct writing field is over crowded and the demand for good agents exceeds the supply. He feels there is a greater op-portunity in reinsurance, particularly in connection with surety. connection with surety.

#### Chance for Development

Out of 100 companies operating in this Out of 100 companies operating in this country, only eight are strictly reinsurers. He finds that there is no company specializing in reinsurance in suretyship. The total fidelity and surety writings of reinsurance companies last year were about \$2,000,000. He believes, therefore, that if the field is assiduously cultivated much larger reinsurance premium income would be deinsurance premium income would be de-

veloped.

Mr. Donegan states that in the past some of the leading surety executives have advocated the establishment of a large central reinsurance company to be operated by the direct writers, but no such project materialized. A number such project materialized. A number of companies are ceding business at less than it costs to produce and failing to receive in return an equal quantity and quality have been seeking an arrange-ment fairer and more compensatory.

#### To Create American Market

Mr. Donegan states that at this point the General Surety will step in. He declares that while it will render full service giving reinsurance in casualty its more particular aim will be to create a strong American reinsurance market for suretyship. It will be able to handle for suretyship. It will be able to handle either concurrent or excess reinsurance on the facultative, selective or automatic treaty basis. The General Surety, he adds, will retain its association memberships and will adhere to rates and practices. It will not write excess covers or other forms of stop-loss policies for self-insurers nor will it facilitate the competition of mutuals against stock companies by handling excess reinsurance on mutual lines.

#### Will Be Welcomed

Mr. Donegan says:
"We cannot escape the conviction that our decision, made only after careful study, will be welcome in the cas-ualty and surety field. As a direct writing company, our creation of a nation-wide agency force would have increased a competitive situation already bad and would have been hurtful to us all. As a resinsurance company, occupying a unique position and specializing in lines now not earnestly cultivated, we believe we will be in a position to render con-structive service to the business as a

#### Honor E. F. Hord

Eugene F. Hord, recently appointed executive vice-president of the Fireman's Fund Indemnity in charge of the company's eastern operations with headquarters at New York, who is spending a month at the company's home office in San Francisco, was tendered a luncheon there at which J. B. Levison, president of the Fireman's Fund group, presided.

Mr. Hord plans to remain in San Francisco for practically two weeks, going over company matters, before returning to New York.

#### Speaks in Canada



Dr. H. W. Dingman of Chicago, vice-president and medical director of the Continental Assurance and Continental Casualty of Chicago, is one of the best Casualty of Chicago, is one of the best mown medical men and underwriters in the west. He has made a special study of total and permanent disability. Dr. Dingman is considerably more than medical director. He is an all-round insurance man with a broad vision of the business.

#### Roskam Branch Manager

Ross E. Roskam, brother of Vice-president Larry Roskam of the Republic Automobile, has been appointed man-ager of the Chicago office, which has been put on a branch basis with extended jurisdiction. Mr. Roskam already has installed the Republic's successful sales methods which he started some time ago at Detroit as manager, embodying ago at Detroit as manager, embodying six months payment plan, universal road service in the United States and Canada, \$10 down payment on P.L. and P.D., and reimbursement up to \$5. The result since he took charge about Sept. I has been the writing of 4,800 policies. He is opening all of Illinois for the company. Mr. Roskam for many years was a dealer for high grade cars in New York, and two years ago took the Republic's Detroit post. Recently he has served as general production man in Flint, Mich., and Cleveland. The branch office is in the Insurance Exchange, Chicago.

#### Robertson Hartford Manager

Fred C. Robertson has been appointed manager of a new branch office of the Fidelity & Deposit which is being opened at Hartford. Howard B. Wesopened at Hartford. Howard B. Wes-senberg, formerly field representative in Connecticut, has been appointed assist-ant manager. Mr. Robertson has been with the company for nearly four years, first as assistant manager at Indianapolis and then manager and later as manager at Omaha. He was vice-president of the organization committee of Indiana Insurance Day in 1929.

#### Ruttle Claims Manager

Charles H. Ruttle, a graduate attorney of 16 years' experience, of which for 14 years he represented 44 carriers in claim work at Detroit, has been appointed Chicago claim manager of the Continental Casualty, succeeding W. S. Hopkins. Mr. Ruttle went to Chicago in 1926 and since has been assistant general attorney in the home office.

# Atlanta Attorney Points Importance of Adjuster

It is invaluable to insurance men to tion. Information as to misrepresenta-tion the digested experience of a promigain the digested experience of a promi-nent insurance attorney who has de-voted much of his time to patching up voted much of his time to patching up errors in adjusting claims and misunderstandings which have arisen. Such a viewpoint was given at the Ottawa, Can., meeting of the International Claim Association this week by Shepard Bryan, Atlanta attorney, head of the legal firm of Bryan, Middlebrooks & Carter, in his address on "The Adjuster's Work as Seen from the Trial Lawyer's Point of View."

#### Formulates Adjuster's Code

From the wealth of his experience he proposed as a code for adjusters:
"1. I must be loyal to the truth.

"1. I must be loyal to the truth.

"2. I must remember that I am an important and necessary part of a noble institution dedicated to the service of mankind.

I must be fair and impartial in my adjustments so that no policyholder will be favored or discriminated against in the distribution of the fund created by

their common contribution.

"4. I will always remember that the company and the policyholder are bound

by the contract and the facts of the claim fairly and intelligently ascertained.
"5. I will, therefore, be just and fair in all my dealings, to the end that my company and the policyholder will give me their respect and confidence and, above all, that I may thus be true to myself and have my own reverence and re-

Mr. Bryan said in part:

#### Compliment to Adjusters

"As a trial lawyer of many years of experience and innumerable contacts with adjusters, I wish here and now to bear witness to their high character and capacity."

Mr. Bryan said as soon as a claim is

Mr. Bryan said as soon as a ciaim is filed the adjuster must determine if a valid insurance contract exists, which rests largely on whether the insured made truthful statements in the applica-

e said a company in such a case immediately should give notice that the policy is voided and rescinded, tender return premium and bring suit for a decancelling and rescinding the

policy.

If the adjuster finds the policy is in effect, he must determine whether or not the accident, fatal or otherwise, is covered by the policy terms, bearing in mind the clear distinction between "accidental means" and "accidental results."

#### Invaluable in Defense

"I should say, therefore," Mr. Bryan ated, "that from the viewpoint of the stated, "that from the viewpoint of the trial lawyer the intelligent, clear thinking adjuster is indispensable in the preparation, presentation and defense of the company's position when the case comes to the trial lawyer. The facts, clearly and intelligently gathered, must be known and the trial lawyer must be put in possession of the facts, not colored, but plainly seen and stated.
"Waiver and estoppel are the basis of

colored, but plainly seen and stated.

"Waiver and estoppel are the basis of so many unjust verdicts and judgments that I think it worth while for me to incorporate in this paper this brief caution relating to these twin doctrines. The adjuster must be careful to do no act himself, and to require no act of the incorporate but with the hald the

act himself, and to require no act of the insured that might be held to be a waiver or to constitute an estoppel.

"I think that it will be useful to the adjuster to remember that the unjust claimant and his attorney are probably on the lookout for some act or acts constituting a waiver or an estoppel."

Mr. Bryan strongly urged that ad-

Mr. Bryan strongly urged that adjusters not adopt three dangerous atti-Justers not adopt three dangerous atti-tudes: 1. appearing in the role of a "stern judge" trying the issue between claimant and company; 2. assuming the attitude of a severe cross-examining at-torney toward the claimant, and, 3. act-ing as a "royal paymaster" distributing alms to the populace.

#### Interesting Points Raised in Product Liability Suit

LINCOLN, NEB., Sept. 10.—An interesting product liability suit has been started in Chicago, growing out of the Nebraska compensation law. Under Nebraska compensation law. Under the law in Nebraska and in many other states an injured workman may recover compensation under the scale provided in the law, but may still sue third parin the law, but may still sue third parties for damages at common law. Two men, George Hollstein and Vane C. Buell of Lincoln, with Ray R. Mc-Michael, were injured when the scaffolding upon which they were standing while working on the outside of the J. I. Case plant in this city collapsed. Attorneys for Hollstein and Buell have brought suit for \$75,000 against the I. torneys for Hollstein and Buell have brought suit for \$75,000 against the J. H. Channon Company, which built and sold the scaffolding and the G. H. Carpenter Company which manufactured and sold the pulleys through a local dealer. Both are Chicago firms. The basis for the suit is the claim that the appliances were defective and that the defects resulted in the injuries sustained.

#### Casualty Board Meeting

The directors of the New Jersey Cas-ualty & Utilities Claim Men's Protection Association will meet this week to deter-mine a date for the first meeting of the season. At this meeting the various chairmen of the committees will report on their activities during the summer Wade Fetzer, president of the Fidelity & Casualty, and head of W. A. Alexander & Co. of Chicago, will be back on the job at the Chicago office next week.

### Labor Chieftain **Against Insurance** of Unemployment

The general impression in this coun-The general impression in this country has been that organized labor has been the strongest proponent of unemployment insurance, which is receiving considerable attention just now and most recently was strongly recommended by Governor Franklin D. Roosevelt of New York. But William Green, president of the American Federation of Labor, issued a statement to the Associated Press this week that this insurance is little better than a dole, and insurance is little better than a dole, and that the latter system is a vicious prin-

"The best, the real remedy for unemployment, is employment," he said. "The obligation rests upon industry to provide employment for men and women willing to work. The dole system embodies a vicious principle, in that it attempts to provide relief by supplying only the

minimum of subsistence.
"Besides, the dole system develops paternalism that is demoralizing and destructive. It stifles ambition, destroys initiative and blasts hope."

#### Talks on Optimism

NEWARK, N. J., Sept. 10.—James Heyer, vice-president of the Metropoli-tan Casualty, talked on "Optimism" at the luncheon of the Casualty Under-writers Association of Northern New Jersey here today.

Sept



# Go to Dallas!

Go to Dallas for the Annual Convention of the National Association of Insurance Agents, October 7, 8, 9, and 10.

- » Go to Dallas for a connection with a company writing automobile insurance exclusively, a company whose references are the local agents representing it.
- » Go to Dallas; the fifth most important insurance center of the Nation, where you will find a friend in the . . .



DALLAS, TEXAS

EDWARD T. HARRISON PRESIDENT

#### CHANGES IN CASUALTY FIELD

#### Warner to Union Indemnity

Takes Charge of Iowa-Nebraska Field Also for New York Indemnity of Same Fleet

E. H. Warner has joined the Union Indemnity fleet of New Orleans and will have charge of casualty and surety operations of the Union Indemnity and New York Indemnity in Iowa and Nebraska. Frank E. Sprague, vice-president, is in Iowa where he negotiated with Mr. Warner.

Mr. Warner has been assistant manager of the western department Constitution Indemnity. He has had 16 years' insurance experience in practically every end of the business. He is familiar with Iowa and Nebraska territory, having been engaged in developing this section for the London Assurance, Automobile of Hartford and Constitution Indemnity. Upon opening the western department

of Hartford and Constitution Indemnity. Upon opening the western department of the Constitution Indemnity Mr. Warner became executive special agent, assisting in development work in all midwestern states. In May, 1929, he was called into the office as assistant manager of the department.

Mr. Warner's acquisition for Iowa Nebraska territory is of particular interest because the Iowa Fire is a recent addition to the New Orleans group. Mr. Warner will concentrate on casualty lines.

#### Gets Missouri and Kansas for Continental Casualty

The Continental Casualty announces the appointment of H. F. Warner as executive special agent to have supervision over the company's business in Missouri and Kansas. Mr. Warner will also have charge of the interests of the National Casualty, running mate of the Continental Casualty, in those states. His headquarters will be at Kansas City, Mo.

Mo.
Mr. Warner is a native of Kansas, Mr. Warner is a native of Kansas, having been a member at one time of the Harrod-Warner-Hartley agency at Winfield, Kan. The Continental Casualty believes that Mr. Warner's experience as a producing agent was excellent preparation for his service in helping agents in the field.

#### Home Accident Men Resign

After an association of 18 years with After an association of 18 years with the Home Accident, the last five years as manager of its Los Angeles branch office, R. C. Childs has resigned. Prior to becoming manger of the Los Angeles branch in November, 1925, Mr. Childs was executive special agent at the home

Charles Dwight, special agent for the Home Accident in southern California for the past year, has also resigned. He was formerly assistant manager of the Retail Credit Association of Los Angeles.

#### O'Neal With Great National

Spencer B. Curry, vice-president and general manager of the Great National of Washington, D. C., has appointed W. B. O'Neal special agent in South Carolina and Georgia. The Great National is planning an extension of its agency representation, particularly in Georgia, where Mr. O'Neal will soon be active in arranging agency plants.

#### William C. McDonald Transferred

William C. McDonald, formerly special agent for the Massachusetts Bonding at Dallas, Tex., has been transferred to the southwestern department at Kansas City and will travel Kansas and western Missouri.

Mr. McDonald traveled Texas and Louisiana about two years for the

#### In Western Post



Massachusetts Bonding and was special agent for the Constitution Indemnity for three years before going with that company.

#### With Underwriters Casualty

Prentice Hewitt of Los Angeles, for-merly superintendent of the automobile insurance department of the Belt compa-nies, has been named general agent for the Underwriters Casualty of Milwaukee, which has just been licensed in California.

#### Brumfield with Consolidated

David A. Brumfield has joined the Newark office of the Consolidated Indemnity and will aid in the development of the underwriting department. Previous to his appointment he was with the New York office of the Detroit Fidelity & Surety as field man.

#### Degnan With Bankers Indemnity

John J. Degnan, claim adjuster in St. John J. Degnan, claim adjuster in St. Louis for the Associate Indemnity, has resigned to take charge of the St. Louis claim department of the Bankers Indemnity in the Telephone building.

Mr. Degnan joined the Associated Indemnity in the Telephone Prior to

demnity the first of this year. Prior to that he was for seven years in charge of the St. Louis claim department of the New York Indemnity.

#### Brandegee Is Promoted

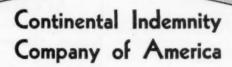
Robert L. Brandegee, superintendent bonding department, Newark office Hartford Accident, has been promoted to superintendent reinsurance depart-ment in the New York office.

#### Sexton Made Youngstown Manager

Frank J. Sexton, formerly claim auditor for the United States Casualty, has been made manager of the General Accident at Youngstown, O. Mr. Sexton was formerly located at Warren, O., and is a graduate of the Y. M. C. A. law school of Cincinnati. Four years ago he started as a claim adjuster for the Globe Indemnity at the Cincinnati office.

#### Foley Gets Consolidated

The Consolidated Indemnity has appointed the Edward J. Foley Agency agent for the Bayonne, N. J., district.



Jerome B.M. Gutchan, President.

### Place Your Automobile **Insurance with a Growing** Concern

Substantially backed by insurance men of financial means and guided by Darby Day's extensive insurance experience and ability as an organizer and builder, the Continental Indemnity Company of America is aggressively pushing automobile insurance.

#### [a Darby Day Company]

The 5-Point Complete Auto Policy offered by this company provides ample protection against every possible automobile loss. Agents find the 5-Point Policy easy to sell because it so thoroughly fits every motorists needs and is sold at independent rates.

Do you desire to represent a strong non conference company offering automobile policies you can sell easily—a progressive company that knows how to handle agents and give them close personal assistance?

Andrew J. Cann Resident Manager

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# CONTINENTAL INDEMNI

# COMPANY OF AMERICA KANSAS CITY MO.

EXECUTIVE OFFICES CHICAGO ILLINOS BANKERS BUILDING

Specializing in Automobile Insurance...

Septer

#### Workmen's Compensation

#### Test Missouri Act's Validity

Lower Court Holds Provision Restricting Further Introduction of Evidence Unconstitutional

ST. LOUIS, Sept. 10.—Counsel for Swift & Co. will appeal the decision of Judge A. G. Knight of the Grundy county circuit court at Trenton, Mo., which held that Missouri's workmen's compensation act is unconstitutional on the grounds that it takes from the courts powers granted to them by Missouri's constitution.

Judge Knight held that the Missouri Judge Knight held that the Missouri general assembly cannot establish a body that restricts the powers of the courts. Counsel for Vern Oren, an injured workman, had attacked a section of the compensation act which states that no evidence other than presented to the workmen's compensation commission shall be considered by the courts when an appeal is taken from courts when an appeal is taken from

a decision of the compensation com-

a decision of the compensation commission.

The Missouri constitution says: "The circuit court shall have jurisdiction over all criminal cases not otherwise provided for, and exclusive jurisdiction in all civil cases not otherwise provided for." The Missouri supreme court has held the words "Not otherwise provided for" to mean not otherwise provided for by the constitution, counsel for Oren contended. This view was accepted by Judge Knight, who held that the general assembly was without power to establish a commission with judicial powers and jurisdiction.

Oren was injured while working for

Oren was injured while working for Swift & Co. at Trenton, Mo., in 1929. The compensation commission held for the packing company.

#### Announce Wisconsin Increase

MILWAUKEE, Sept. 10.—The Wis-onsin Compensation Rating & Inspecconsin Compensation Rating & Inspec-tion Bureau has announced an average increase in rate level amounting to 6.1 percent. Of this amount, 3.7 percent is derived from the experience of the 1926-1928 rating period. In addition, a factor of 1.023 has been introduced as a con-

consin hazards has been placed before the Wisconsin industrial commission, which is now having the premium schedules checked over.

#### Credibility Factor Given

The National Council on Workmen's Compensation has adopted, effective Sept. 30, a new method of calculating the percentage rate to be applied when schedule rates are revised within the

policy term on the basis of reinspection, policy term on the basis of reinspection.

Under the new plan the percentage of reduction which is determined from the schedule rating calculation is modified by a credibility factor. The credibility factors will be credits in the schedule rating plan and the values vary according to the total unweighted subject premium for the risk as derived from the experience rating data sheet. For risks

#### ACCIDENT AND HEALTH FIELD

#### Indiana Companies Merged

Business Men's Indemnity of Indianapolis Reinsured by Indiana Travelers Assurance

tion Bureau has announced an average increase in rate level amounting to 6.1 percent. Of this amount, 3.7 percent is derived from the experience of the 1926-1928 rating period. In addition, a factor of 1.023 has been introduced as a contingency factor resulting from the unfavorable experience developed through from 1928 to the present date.

An adjusted schedule of rates on Wis-

Indiana Travelers and will conduct the

Indiana Travelers and will conduct the general business.

Officers of the Indiana Travelers are: J. Albert Cox, president; L. W. Cooper, vice-president; D. G. Trone, secretary-treasurer; W. A. Strickler, manager claim department; J. H. Woodruff and L. D. Eward, agency superintendents. Mr. Strickler was secretary-treasurer of the Business Men's Indemnity before the merger. R. L. McOuat was president of that company.

Officer of the underwriters corporation are Mr. Cox, president; George T. Kraas, vice-president, and Mr. Trone, secretary-treasurer. Other stockholders are Indianapolis business men.

The Indiana Travelers was organized in 1892 and is the oldest health and accident mutual in Indiana. Offices of the Business Men's Indemnity at 700 Kahn building have been closed. In the merger the Indiana Travelers issued certificates to policyholders of the indemnity association assuming full liability without any change in terms or premiums. premiums.

#### Strong Program Arranged for California Managers

SAN FRANCISCO, Sept. 10.—A joint meeting of the Accident & Health Managers' Clubs of Los Angeles and San Francisco will be held here Sept. George Johnson of the U.S.F. & G. is chairman of the program committee. The principal speaker win be j. P. Collins, president of the National Association of Accident & Health Man-The principal speaker will be J.

A number of important subjects are to be discussed. Among them are: "Social Insurance," by C. D. Babcock, editor "Pacific Underwriter": "Standard Form Policies," W. B. Burge, Ocean Accident; "Unethical Competition," George Johnson; "Overinsurance," "Renewal Commissions to Casual Producers" and "Educational Publicity."

It is expected that representatives from the Pacific northwest, including Dwight Mead of Seattle, regional vice-president, will also be present. John H. Schively, secretary Insurance Federation of California, will be the principal speaker at the banquet.

speaker at the banquet.

#### Sells "Librarians Policy"

Sells "Librarians Policy"

COLUMBUS, O., Sept. 10.—The Ohio department has been informed that a man who gives the names of Steele and Stone has been soliciting librarians throughout the state and selling them a so-called librarians' health and accident policy. He collects \$16\$ for the first year's premium and is not heard from afterwards. He represents himself to be an agent of the Bankers Life of Freeport, Ill. There is no such company at that place. The Bankers Mutual Life of Freeport has informed the Ohio department that the man does not represent it.

#### Chicago Club to Meet

Ralph Parlette, of Parlette, Padget & Co., lecturers and sales counselors, is on the program for the meeting of the Accident & Health Managers Club of Chicago, Sept. 15, at the Palmer House. This will be the first fall meeting, President Percy B. Smith announces. Mr. Parlette is an inspirational speaker of national prominence.



# THE LAST FURLONG

In 1930 two winners struck their strides. The Bankers was born nearly a year before Gallant Fox and has that much start. Those Agents who now represent the Bankers-and others who get in quickly-will participate in the winnings. Every member of this organization—from President Jackson, down through the Senior and Junior Executives, the Specialists in charge of each form of coverage, the Claim Service and Business Promotion Departments-is on his toes. I Ride with us: avail yourself of the Bankers' Agency Service; take our tips; ask for special help, if desired, and finish out in front with the rest of us.

## Bankers Indemnity Insurance Company

Newark, New Jersey

Surplus to Policyholders \$2,500,000

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# SIGNIFICANT FACTS

London Guarantee agents can point to many specific lines of business they have secured through the prompt co-operation of a Company executive.

This is one of the oldest and strongest easualty companies in the world, but the personal contact of executives with agents is preserved. The good results of this system are facts that speak for themselves.

# LONDON GUARANTEE AND ACCIDENT COMPANY, LTD.

J. M. Haines, United States Manager . Fifty-Five Fifth Avenue, New York



Go Straight to the Point of Authority

Septen

#### Grand Flocking of Blue Goose

(CONTINUED FROM PAGE 3)

transferring the business from one com-pany to another shall be transacted without dissention and that this impor-tant function of the Blue Goose be es-tablished on a sound and permanent

basis.
As one leader expressed it: "We have done more charitable work in two years through the group insurance plan than we could hope to do without it in 20

#### Would Change Rotation

In his grand gander address, Mr. Mc-Coy proposed that the office of wielder be filled for a term of four or six years by one man and that at the end of that term the wielder be elevated to the office of most loyal grand gander. In his review of the grand gander address William T. Benallack concurs in the proposal that the wielder serve more these posal that the wielder serve more than a one year term but in order not to disturb the regular grand nest succession, he suggests that a past most loyal grand gander become wielder after he has gone

gander become wielder with the line.

Mr. McCoy's message was largely inspirational. He reviewed the ideals of the order and called for greater reverence for them and he asked his hearers to support the group life insurance plan as a means of contributing to the

#### Adroit Campaign Strategy

As election day approached, both can-didates ehibited signs of nervousness in displaying their better natures to dele-gates. Candidate Lohmeyer gained much gates. Candidate Lohmeyer gained much favorable criticism because of his ensemble consisting of sport shoes (brown and white), striped flannel trousers, yellow tie of some exotic material, and brown sport coat, although some of the fastidious delegates resented his straw hat. Mr. Lohmeyer's fortune was enhanced, moreover, when his backers seltzers to two legged Blue Geese. Another merchant displayed a banner inscribed: "Welcome, Blue Goose. Our rice fields are ripe. We tote fair."

Erfert as Tonstmaster

W. B. Erfert, the Will Rogers of Freeport, has been donated by the Crum & Forster fleet to act as toastmaster at

let it be known that their candidate is a grandfather, he having reached that estate on Labor Day. The Lohmeyer supporters claim that he is the youngest grandfather in the insurance business, not exen excepting Will Earls, famous local agent of Cincinnati, who became such at age 47. Mr. Lohmeyer is not yet turned 45.

yet turned 45.

Mr. Lohmeyer enters the contest with a solid five behind him—five Aetna delegates—Giddings, Alabama; Moore, Indiana; Brake, Iowa; Rudd, Wisconsin, and Gregory, West Virginia.

#### McKian Bloc Turns Out

To offset this Mr. McKian's backers are counting strong support for their candidate from among the independent adusters and those attached to adjustment bureaus, of which there are an exceptional number this year.

exceptional number this year.

Rapid City, which learned the value of municipal publicity when President Coolidge established his summer white house here one year, gave the Blue Goose a warm welcome. The contingent which arrived from Chicago in special cars was met at the station by a band of young women clad in white and gold and escorted to the hotel in parade formation.

The merchants, in bidding for Blue Goose patronage, demonstrated inven-

Goose patronage, demonstrated inventiveness. A druggist had painted a real goose with methylene blue, a task which goose with methylene blue, a task which the druggist said occupied half a day, for the oil in the goose's feathers and the methylene blue didn't mix readily. But no doubt the investment in methylene blue and time will yield the druggist a good return from the sale of picture post cards of Rushmore mountain, chocolate ice cream sodas and promo

chocolate ice cream sodas and bromo seltzers to two legged Blue Geese. Another merchant displayed a banner inscribed: "Welcome, Blue Goose. Our rice fields are ripe. We tote fair."

let it be known that their candidate is a grandfather, he having reached that estate on Labor Day. The Lohmeyer address of welcome, while Henry Rose of Baltimore, the incoming most loyal grand gander; D. P. Lemen of Sioux Falls, William T. Benallack of Michigan, past most loyal grand gander, and Mr. McCoy will appear on the banquet

Mr. Benallack is one of the bluest of Blue Geese, for in attending the grand nest meeting this year, he completes a record of 24 years successive attendance record of 24 years successive attendance at the grand nest conventions as well as of the Michigan pond. The other past most loyal grand ganders here are W. J. Sonnen of Chicago; H. Verne Myers, Waterloo, Iowa; J. Charles Harris, San Francisco and W. E. Mallalieu, manager of the National Board.

This is the first grand nest meeting Mr. Mallalieu has attended in several years. He came to Rapid City on his way to New York from San Francisco, where he landed after a trip through the Panama canal. He is accompanied by Mrs. Mallalieu and his son.

Mrs. Mallalieu and his son.

#### Committees Are Busy

Tuesday was devoted to handshaking and golf for those not burdened with Blue Goose problems. The executive committee and the insurance committee held frequent sessions throughout the

day.
Sight seeing occupied Wednesday, although a business session with Mr. McCoy in the chair was scheduled for Wednesday evening. Thursday is assigned for business with the banquet in the evening. The meeting will conclude

signed for business with the banquet in the evening. The meeting will conclude with sight-seeing on Friday.

When the Chicago special stopped at Mankato, there was a welcoming delegation at the station. Theodore Williams, his son, Howard Williams, and William Seifert, all local agents of Mankato, were there as well as Charles F. Butts. Minnesota state agent American Central, and Mrs. Butts, who had motored from Minneapolis. D. S. K. Bjornson, assistant manager, boarded the special at Brookings, S. D., for Rapid City.

Rapid City.

The incoming most loyal grand gander, Mr. Rose, is contemplating forma-tion of an employment committee to serve as a clearing house of information of available positions.

#### Hartford Scene of Two Meets

(CONTINUED FROM PAGE 3)

repast in the ballroom. The commissioners' sessions were in charge of President H. P. Dunham of Connecti-

President H. P. Dunham of Connecticut, one of the most able officials in the ranks and personally very popular. Mrs. Dunham was chairman of the ladies' committee and was everywhere at hand, most charmingly extending courtesies. The youthful mayor of Hartford, Walter E. Batterson, extended the welcome. Again Hartford insurance was manifest, for the mayor is a grandson of the founder and first president of the Travelers, James G. Batterson. Mayor Batterson was connected with the company and was assistant secretary of the Travelers Fire until he assumed his new duties. His address therefore had a strong insurance flavor. therefore had a strong insurance flavor.

#### Mayor Batterson Speaks

Mayor Batterson Speaks

He said Hartford had an insurance complex. The business is deeply imbedded in the works. What insurance you buy in Hartford is real protection, declared the mayor. In great crises the men behind Hartford companies have backed them with their personal fortunes, he added.

He brought out the fact that Mark Twain, who lived here, was one of the pioneer directors of the Travelers. Those in insurance must decide whether they are to be leaders or followers, he

they are to be leaders or followers, he oncluded.

Commissioner Wysong of Indiana responded. Col. Dunham read the program of the commissioners' meeting held in Hartford in 1919 when C. W. Fairchild of Colorado was president. In

his address Col. Dunham urged fewer agents having higher qualifications. He advised closer touch between commissioners and agents. He suggested that state departments be less exacting in their demands for additional statistics and data, the mobilization of such being very expensive.

#### R. Leighton Foster's Paper

R. Leighton Foster's Paper

R. Leighton Foster, insurance superintendent of Ontario, read his paper on
automobile financial responsibility laws
at the first session, which Commissioner
Livingston of Michigan discussed.

Col. Dunham presided over the banquet Monday night at the Hartford
club, whose auditorium was exquisitely
and elaborately decorated with flowers
and the national colors. The speakers
were Lieut. Gov. E. E. Rogers of Connecticut, Mayor Batterson of Hartford,
President R. Leighton Foster of the
Canadian commissioners' organization,
and Billy B. Van, celebrated vaudeville
and platform star.

The high spot in the week was the
four days' trip by bus that 150 of the
conventioners are taking, which brings
them into every New England state.
They left Hartford this morning and
spent the night at Montpelier, being entertained at dinner by the National Life.
They were feted at Montpelier by President Howland of the National Life and
former Commissioner J. R. Brown.

Read Acquisition Report

#### Read Acquisition Report

At the opening session Tuesday, James L. Case of Norwich, Conn., chairman committee on arrangements for Connecticut Insurance Day, explained its functions and invited the commissioners to attend its meetings. The big event of the session was the report of the acquisition cost committee headed by Commissioner Livingston of headed by Commissioner Livingston of

Michigan.

He said the report was a composite view of the committee and did not in all respects reflect the personal opinion of any member. J. J. Magrath of the New York department, secretary of the committee, who has done yeoman servecommittee, who has done yeoman service, read the report. Commissioner Boney of North Carolina reported for the committee on uniform laws and investments.

#### Report or Merit Rating

Superintendent Younger of Ohio re ported for the merit rating automobile committee. One hearing was held in which differences of opinion were evident. The committee feels more time should be given to consideration of this important topic. It was decided to have a further hearing the day before the commissioners meet in New York in

December.

Judge Younger of Ohio gave some observations on the 65th anniversary of the founding of the Connecticut depart-ment, which has taken so prominent a part in insurance supervision. He referred

part in insurance supervision. He referred to the achievements of this department and especially to the magnificent work of its present head, Col. Dunham.

Memorial resolutions were adopted on the death of Clifford Ireland, former director of trade and commerce of Illinois, and T. G. McConkey, general manager Canada Life. A committee consisting of Baldwin, District of Columbia; Olsness, North Dakota, and Knott, Florida, was appointed to prepare proper tribute on the death of Commissioner Henry of Mississippi.

#### Discuss Compensation Probe

The committee on workmen's com-pensation was authorized to hold hearings in connection with the report and recommendations of C. W. Hobbs, sperecommendations of C. W. Hobbs, special representative on the National Council on Compensation Insurance and bring in a report at the New York meeting in December. Commissioner Tarver of Texas, who was slated to give a paper on taxation, did not prepare one but was called to the platform. He said the convention had heard appears and had reports on the heard papers and had reports on the

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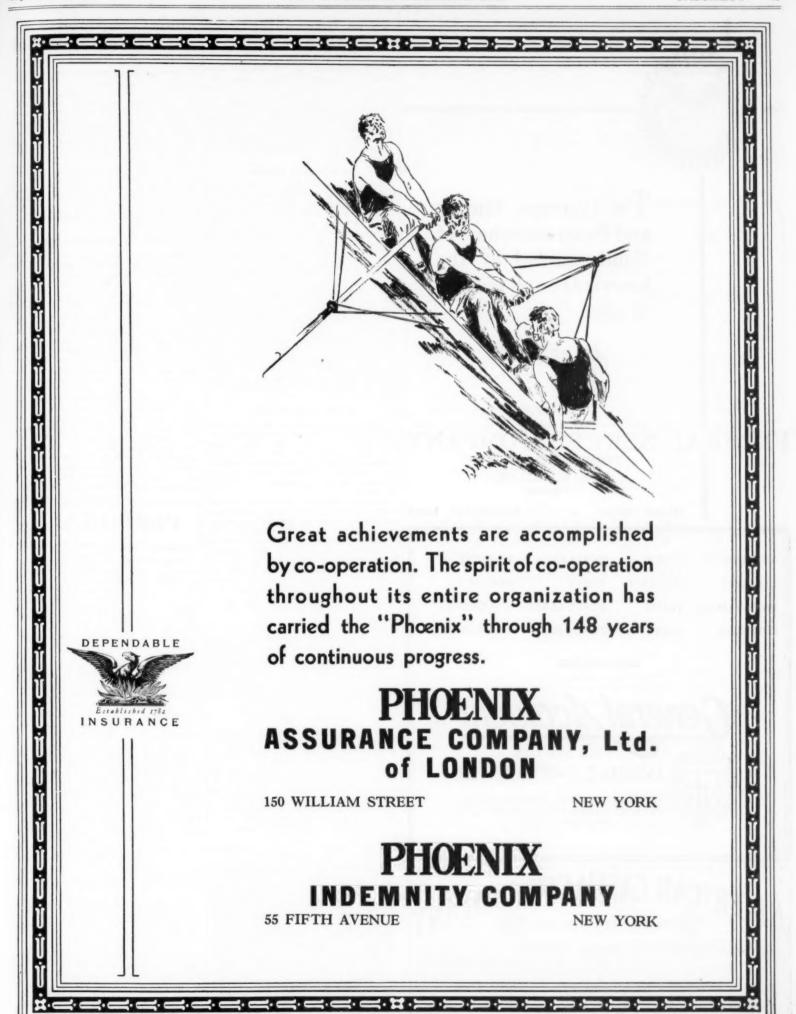
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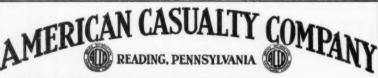
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subject in the past. It has been well covered, he thinks. He gave the only oratorical flight at the convention.

#### Two Committees Named

The committee on resolutions consisted of Taggart of Pennsylvania, Behan of New York and Lewis of South Dakota. A committee consisting of Caldwell of Tennessee, Tarver of Texas, Knott of Texas, Livingston of Michigan and Baldwin of the District of Columbia was appointed officially to represent the commissioners at Connecticut Insurance Day exercises.

#### Have Spirited Election

At the closing meeting of the convention, Col. H. P. Dunham sang his presidential swan song, but received many plaudits for his contribution to the cause. C. C. Wysong was moved up to the presidency on motion of Superintendent Hansen of Illinois, and supported by his eastern neighbor, Judge Younger of Ohio. Commissioner Livingston of Michigan made the noningsting motion Onio. Commissioner Livingston of Michigan made the nominating motion for J. G. Read, who moved up a peg. A skirmish arose over the second vice-presidency. Commissioner Clark of vice-presidency. Commissioner Clark of Vermont nominated Commissioner Sullivan of New Hampshire, who seemed certain of a walkaway. Commissioner Brown of Minnesota, supported by Commissioner Porter of Montana, put Clare A. Lee of Oregon in nomination. In a few impassioned remarks, Mr. Sullivan withdrew his name, saying he would not countenance any scramble for the office.

#### Freedy Submits Slate

Commissioner Freedy of Wisconsin submitted the slate for members of the executive committee. While New York City was voted as the place for the December meeting, the selection of a hotel was left open. Evidently there will be a movement to try another hotel than

the Astor.
Porter of Montana referred to the ac-Porter of Montana referred to the activity of unlicensed accident companies seeking business by advertising, using the mails and the radio. These are licensed in their home states but bootleg in others. He declared they offered cheap insurance and it was usually deceptive. Claims are dodged and no servce can be gotten n the state in case of suit. Livingston of Michigan also declared the situation is serious. Most of these companies, he said, are western of these companies, he said, are western

Dort of Nebraska also complained of Dort of Nebraska also complained of the practice. It was moved to have the subject made a special order at the De-cember meeting. Mr. Porter also com-plained of automobile service concerns masquerading as insurance companies and deceiving the people. Methods of combating this practice will also be dis-cussed at the December meeting.

#### Tribute to Appleton

At the afternoon meeting Tuesday, At the afternoon meeting Tuesday, former Commissioner Vorys of Ohio called attention to the retirement of First Deputy H. D. Appleton of New York, who served his department for 47 years. Former Superintendent W. H. Hotchkiss of New York read a tribute and greeting to be sent by wire to Mr. Appleton. Appropriate remarks as to Appleton. Appropriate remarks as to Mr. Appleton's career were made by J. V. Barry, J. S. Phillips, Thomas F. Behan and Mr. Vorys.

It was decided to have a committee

representing the commissioners, former commissioners and company executives draw up a permanent tribute. It consists of Commissioners Dunham, Beham and Livingston, Former Commissioners Vorys, Phillips and Button, R. M. Bissell, Hartford Fire; J. V. Barry, Metro-plitan Life, and William BroSmith, Travelers. W. H. Hotchkiss, former New York superintendent, will act as

committee secretary.

The Salesmanship Section of the A. & H. Bulletins constitutes a reference work from which you may find the solutions to many of your problems. Write The National Underwriter Company, 420 East 4th street, Cincinnati, O., for further information and free booklet.

#### It has been well Finds Companies Are Indifferent

(CONTINUED FROM PAGE 4)

their balances promptly, and are unworthy of consideration?

"It is the almost invariable policy of the companies to bring about rate changes, new forms, new methods of operation, with never an opportunity to agents to express their views based on their knowledge of local conditions, and never a word of explanation of the inno-

There are times when it seems as if "There are times when it seems as if the wall of company indifference is insurmountable. Policies are ground out with a virtual 'you sell 'em' demand, and no appreciation of the fact that the selling of a policy is the smallest of the agency functions.

Agent as Stock Advocate

"Day by day the voice of the agent is heard in the business world, setting

forth the principles of sound stock in-surance, as exemplified by the great insurance companies.

"What does he get for it? So far, he gets no voice in the conduct of the insurance business. He gets unfair competition from unqualified and incompetent agents; side-liners, part-timers, and non-policy writers. He gets a sudden, widespread growth of fictitious automobile fleets and employee contents.

bile fleets and employees groups, cut-ting into the very heart of his business.

"He sees company pools organized to cut his commissions to the bone. He suffers constant reduction in rates which brings his own income to the living wage border line, and the only comfort he is offered is that still further reductions are contemplated. He is given to understand that it is his not to reason why and that he shall take the goods his company gods provide him, and accept them with simple, child-like faith."

# PERSONALS

Spencer Welton, recently elected vice-president of the Massachusetts Bonding in charge of production, has been tak-ing a swing around the circle getting acquainted with some of the larger agencies. He went to New Orleans and other southern points, then came north, stopping in Chicago. He is in Hart-ford at the insurance commissioners' meeting this week.

John A. Chambliss, general counsel of the Provident Life & Accident of Chattanooga, has won the Democratic nomination for state senator from Hamilton county, Tenn., which includes Chattanooga, after a spirited fight in the primaries. The Democratic nomination practically means election.

Spencer B. Curry, vice-president and general manager of the Great National of Washington, D. C., has recently returned from a 1,200 mile trip by auto through Virginia, visiting many of the Great National agents. He always plans to take at least one trip into the field each month and during the course of the year endeavors to visit each agent in his own office. This traveling naturally results in an accumulation of work in the home office for Mr. Curry, but he willingly spends many nights at the office catching up, in order to allow the time for his agency calls.

E. J. Brookhart, secretary and treasurer of the Mercer Casualty, has been spending some time in San Francisco and the Pacific Coast.

Miss Marcia Moray, daughter of Mr. and Mrs. Norman R. Moray of New York, was married to Alexander Beach of Rochester, N. Y., in St. Peter's church, Brookville, Ont., where Mr. and Mrs. Moray have their summer home. Mr. Moray is chairman of the Southern Surety and Home Indemnity.

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#### Responsibility Law Snags Told

(CONTINUED FROM PAGE 37)

responsibility by the commissioner of motor vehicles in a state or province where it is not duly licensed under the insurance law by doing three things. It can give a power of attorney to the commissioner of motor vehicles author-izing that commissioner to accept service of notice or process on its behalf in any action arising out of a motor vehicle accident in that province. It must agree that in the event of any of its policyholders becoming involved in an action arising out of a motor vehicle accident in such state or provvehicle accident in such state or province, its policies will be interpreted according to the law of such state or province, in other words, to be deemed to include the terms and provisions required by such law to be included in all motor vehicle liability policies issued therein. Finally, it must agree to accept as final, in any such action, the judgment of a court of competent jurisdiction in that state or province.

#### Constructive Solution

"I believe this plan offers a construc-tive, satisfactory solution of the prob-lem," Mr. Foster declared. "I am pre-pared to recommend it for adoption by way of amendment to the Ontario trafact at the ensuing legislative ion.

Mr. Foster's address was a scholarly presentation and review of work that has been done and ideas that have been projected in an attempt to protect motorists from irresponsible drivers. He pointed out the insurance angle of the problem is only incidental. Automobile safety responsibility laws are distinctly motor vehicle legislation, he said. An

safety responsibility laws are distinctly motor vehicle legislation, he said. An automobile liability policy is merely a method by which a motorist may present evidence of his solvency.

One of the first attempted solutions of the problem was the compulsory automobile liability insurance plan. "The insurance companies were the innocent victims of this demand," Mr. Foster declared. "Experience taught them that if they were deprived of their rights to select their risks, and if everyone came to know that all motorists were insured (which meant that every accident was a potential insurance claim), the cost of insurance would increase sharply and that there would be a demand for a state fund—for the state to enter the insurance business and provide insurance at cost. The story of the past five years has demonstrated that their apprehensions were not ill founded."

#### Condemns Bay State Plan

This was the method followed in Massachusetts and Mr. Foster con-

demned this experiment.

A more conservative plan was adopted in Connecticut about the same time that in Connecticut about the same time that the Massachusetts system went into effect. The Connecticut system demanded that a motorist involved in an accident causing injury or substantial damage to property should prove his financial responsibility for the payment of liabilities in future accidents. "This appealed to the way were leading for any to the man who was looking for a pal-liative rather than a panacea of the problem," Mr. Foster observed. Other states soon followed the Connecticut states soo precedent.

Shortly thereafter the American Automobile Association, prompted by the demands of its members, prepared a safety responsibility bill in 1928, which Mr. Foster commended. A revised bill Mr. Foster commended. A revised bill was prepared in 1930 and this formed the basis of the Ontario safety responsibility law, Mr. Foster pointed out. Although the revised bill of the A. A. A. is not perfect, the speaker extolled it as representing the most intelligent solution of the problem available.

#### Many States Have Acted

Thirteen states, in addition to Massachusetts, and two provinces have in force legislation which might be described as

automobile liability security laws, according to Mr. Foster.

One of the problems which has been created in Ontario by enactment of the safety responsibility law is the creation of inconsistencies between the standard automobile liability insurance contracts automobile liability insurance contracts and the requirements for those contracts in the motor vehicle legislation. Mr. Foster explained these inconsistencies in his address before the conference of the Association of Superintendents of Insurance of Canada and that feature of his address was reported fully in a previous issue of The NATIONAL

Mr. Livingston enunciated the principles which he said should guide states in framing legislation to indemnify vic-tims of automobile accidents. Travel tims of automobile accidents. Travel should be as unhampered as possible, he said. Tourists should be encouraged to said. Tourists should be encouraged to use their automobiles and go from place to place. Only such restrictions should be placed upon them as are necessary to protect the citizens and property of the state or province in which the tourist is traveling.

"If citizens and property," he said, "can be protected without requiring insurers to become qualified in the state in which the tourist is by some other

surers to become qualified in the state in which the tourist is, by some other means less stringent, in my opinion, such a result should be brought about. Unless such steps are taken various states and provinces may build a Chinese wall around themselves, because, sooner or later, retaliatory measures will be taken by other states and provinces. be taken by other states and provinces and as soon as the motoring public be-comes conscious of the fact that it is to be compelled to meet some harsh provisions of the financial responsibility law, just so soon will that motoring public avoid states and provinces having such harsh provisions in their laws.

"Each state should have as a matter of public policy the idea of making the or public policy the idea of making the highways as safe as possible. Therefore, the safety responsibility laws, if logically enforced, would do considerable in eliminating reckless drivers from the highways. If, however, an accident occurs, the innocent victims should have an easy and certain method of being curs, the innocent victims should have an easy and certain method of being compensated. This, of course, would be accomplished quite easily under the provisions of the safety responsibility

#### B. M. A. in New Quarters

The new home office building of the Business Men's Assurance Co. on the Union Station Plaza, Kansas City, was thronged for the reception and formal opening held last Friday. Floral offerings and congratulatory messages ings and congratulatory messages poured in from all over the country and from Kansas City, and many insurance friends from Nebraska, Missouri, Texas, Iowa and Kansas congratulated officers of the company personally. One horse-shoe of roses was accompanied by an expression of good wishes from the company's three largest competitors— and best friends—the Kansas City Life,

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\$400,000. The second floor and a part of the basement are also used by the company, which occupies 40,000 square feet of floor space in all.

#### General Casualty Expands

Since January of this year the General Casualty of Seattle, running mate of the General of Seattle, has entered Missouri, Iowa, and Minnesota. The company operates in 10 other states—

Arizona, California, Colorado, Idaho, Illinois, Indiana, Montana, Ohio, Ore-gon and Washington.

#### Bankers Indemnity

NEWARK, Sept. 10 .- The Bankers Indemnity is now entered or has made application for admission to all states except Idaho, Montana and Mississippi, and is thus in position to afford nation-wide service to its policyholders. Under the progressive administration of Presi-dent H. P. Jackson the Bankers In-demnity has created a field staff that is securing a large volume of quality busi-



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#### Good Program Is Afforded at Michigan Agents' Meet

(CONTINUED FROM PAGE 23)

able "dos and don'ts" for agents who want to advertise their business locally. An indication of the place that life insurance can be made to have in the average general insurance office was given by Claris Adams, executive vice-president of the American Life of Detroit, who painted an attractive picture of the aversibilities. of the possibilities.

At the concluding business

there were three speakers, Rudolph C. Larson of the Aetna Casualty & Surety, Larson of the Aetna Casualty & Surety, whose topic was "Accident Insurance as an Insurance Agency Income Producer;" Ralph M. Wade, deputy insurance commissioner of Michigan, who told "How to Analyze the Financial Statement of an Insurance Company," and L. Dudley Stafford, manager of the Detroit office of the American Appraisal Company, whose subject was "Appraisals as a Means of Increasing Fire and Casualty Income."

# Benallack Reviews Founding of Blue Goose Order

The Blue Goose was started as a joke a quarter of a century ago, and yet it has been taken so seriously that the membership is now nearly 7,000, with ponds or puddles in practically every state in the Union and every province of Canada, W. T. Benallack, one of the veteran ganders, whose membership dates back to that early day, agency superintendent Michigan Fire & Marine, Detroit, and past most loyal grand gander Blue Goose, told the Michigan association. The Blue Goose was started as a joke sociation.

Mr. Benallack briefly sketched the ori-gin of the order at a meeting of the Wisconsin Field Men's Club in the Oakwood hotel, Green Lake, Wis., in June, 1906, and pointed out that the late Merritt M. Hawxhurst, first most loyal gan-der of the Michigan pond, formed later in the year, was present and became one of the founders. "Our business is an honorable one

and possesses greater capacity for a diversified education than any other human occupation," Mr. Benallack said. "We are advocates of character, charity and fellowship, and believe that if this trinity of virtues is practiced through our business lives we are achieving the objects for which the Blue Goose was

objects for which the Blue Goose was fostered, thereby lessening the intensive sting of competitive life. "While business is tabooed at our pond splashes, we do have instructive and entertaining speakers on live topics, and feel that the rubbing of elbows

tends to smooth many a difference that might not have been healed in other channels. It is the intention of the Blue Goose to be happy, rather than sorrowful, mirthful rather than miserable, and with such ideals should it not be reflected among those on the firing line the local exerts 200. line-the local agents?"

### Lieber Proposes Strong Program

(CONTINUED FROM PAGE 26)

nies but because public opinion forced

their adoption, the unsoundness of this theory is clearly apparent.

"I conceive it as the first duty of this organization that we most emphatically oppose the maintenance of such a principle, and that this association shall take the position that it cannot endorse, that it cannot represent, and that it cannot treat with company organizations who advance or maintain this attitude.

"The second quotation is significant not only because it represents a different viewpoint and lays down a differ-ent principle, but because it carries with it a different duty. It is this duty, which in the mind of your president, is the controlling reason, first for your being an economic necessity in the busi-ness of insurance and, second, for the

existence of this association.

"I, therefore, take it as a fundamental duty of this association to preach to its members the doctrine that successful salesmanship in the business of insur-ance can only be accomplished, and the continuance of your business can only continuance of your business can only be expected, provided you make the controlling idea of your business the idea that you know your business, and that you present and prove to the pub-lic that you are a skilled professional who can give them honest and required service in the matter of their insurance needs.

#### Presents Two Methods of Solving Questions

"From this it naturally follows that your organization should be interested in two methods of administering its dis-puted questions. For the protection of puted questions. For the protection of the public, and only for that reason, we should insist that the laws of the state provide that, while every man may have the opportunity of seiling insurance to the public, this opportunity shall be dependent upon his proving to the commonwealth of Michigan that he has the moral character and professional knowledge necessary so to do; so that the public depending upon him may not be

public depending upon him may not be misled.

"The following is the second duty; that in the matter of questions relating to the mechanics of our business, such as commissions, correctness in rating factors, forms of coverage, and so forth, distances that he made and so forth, adjustment shall be made by cooperative conference between the companies and

conference between the companies and ourselves, and not by legislation.

"It will, therefore, be the policy of this administration that standing squarely upon the principle that for the protection of the policyholder, the American agency system is an economic necessity; we will conceive it our duty to take an active part in all matters which affect the insurance business in the state of Michigan, first with the basic idea that such problems should be solved by conference and agreement. solved by conference and agreement, and second, that if such solution is not possible, and if the matter is in our opinion of sufficient importance to warrant such action, we will then bring it to the attention of those whom basically we represent, the insurance buying public of this state."

Mr. Lieber said the association should

take an active part in securing passage of an automobile responsibility law, as he believes the soundness of this plan has been sufficiently tested.

The Home Indemnity of New York has been licensel in Canada and has ap-pointed F. W. Evans of Montreal as chief agent.

# Ad Campaigns

(CONTINUED FROM PAGE 26)

sonal calls, or competitor may land the business.

business.
6. Start campaigns on time and do not break mailing schedule.
7. Diversify advertising program; do not use any medium to exclusion of all other forms.
8. Mailing piece pulls better if return card is part of folder.
9. Proper use of color increases returns

turns. First class mail pulls better than

unsealed second class.

11. Hand addressed mail in personal-like manner gets faster attention than typed.

12. Personalize advertising by local-

izing copy and layout. 13. Newspaper advertising on same page each time appears to pull better.

# Horrible Examples Are Emphasized by Speaker

Among the don'ts which Mr. Rickerd

Among the don't seem a campaign with unrelated parts from different sources.

2. Do not buy advertising simply because you like it personally. It has a definite job and should fit into cam-

paign.
3. Do not advertise to a group of people not containing a worthwhile number of prospects.

Do not spend more money than is necessary to reach your objective.
 Do not be a "fanny-worker." Noth-

ing is so pitiful as the agent who has sense enough to invest in good advertising, but is too slothful to drag his car-cass from his office to follow-up his advertising.

6. Do not advertise points which are utmost interest to you but of little interest to reader.

7. Do not advertise to satisfy a vanity rather than to gain a definite business

Don't bite upon every advertising

8. Don't bite upon every advertising idea presented to you for sale.
9. Do not expect advertising to do something that a salesman could do better. It is not intended to bring in signed applications as a general rule.
10. Do not send out advertising that combines too much or too little of the writer's personality.

11. Do not use poorly prepared, cheap looking advertising. Advertising pieces are silent salesmen.

12. Do not use "trick" advertising that will take attention away from your

sales message. 13. Do not use "canned advertising."
It has a bad effect on a prospect.

14. Do not attempt to write your own advertising. There may be some Bruce Bartons, Ivy Lees or N. W. Ayers hidden among you, but a study of sales letters and local newspaper ads belies this probability.

### Urges Study of Claim Lessons

(CONTINUED FROM PAGE 37)

facts and in determining right from wrong. The company sells disability cover-

"The company sens disability coverage for protection, not for gain.
"The company contract is for protection of the degree specified.
"The company proposes to pay every

proper claim.
"The company proposes to resist every unfair claim.

"The company asks for reasonable evidence of reasonable claim. Thus only

evidence of reasonable claim. Thus only can the company protect present and future policyholders."

Another classification of claimants by claim men, which would be helpful to underwriters, according to Dr. Dingman, would be to specify those who properly state their cases, those who falsely state, and those who exaggerate.

Dr. Dingman analyzed the underwriting process as first considering each

applicant individually, according to his particular attributes and then grouping prospects into classes that are acceptable or unacceptable, or acceptable on a basis.

The reverse process is true, according to Dr. Dingman, in claim service. "First must come standardization of applicants into policyholders, and then, individualization of the claimants that the policyholders supply us."

To illustrate how underwriters and

To illustrate how underwriters and claim men may work together, Dr. Dingman reported his study of 24 of his company's worst claims under non-cancellable accident and health contracts. Seven of these cases, Dr. Dingman said, had been paid under non-cancellable accident and health policies for five years and the others for more than two years.

These 24 claimants, on Jan. 1, 1930, had collected \$301,000 and the Continental Assurance had set aside \$612,000 for future payments. The indemnities totaled \$7,600 monthly.

Dr. Dingman found significance in the fact that 19 of the 24 claimants were self-employers, that is they were not directly responsible to others for their services. "Without a doubt individuals whose income is in fees and commis-sions collect more indemnities propor-tionately than salaried men who must report to their employers," Dr. Ding-man concluded.

#### Large Indemnity Hazard

Also the hazard of large indemnities was illustrated. In nine of the 24 cases the Continental, he said, participated in indemnities protecting 75 percent or more of the earned income. The underwriting rule of the Continental now is, according to Dr. Dingman, not to participate beyond 66 percent at ages 20-45, 50 percent at ages 46-55, and in no event beyond \$1,000 monthly.

This research also developed that nervous claims outnumber tuberculosis.

nervous claims outnumber tuberculosis. "It may be they have out-selected us, or it may be they are relatively high because we have out-selected the tuberculosis prospects," Dr. Dingman commented.

mented.

The question provoked by this study was whether present day selection standards would have relieved the company of any of this liability. Of the 24 claimants, 14 obtained coverage in 1920-21, eight in 1922-3-4 and two in

would," Dr. Dingman "We would," Dr. Dingman said, "probably have rejected \$3,600 and that would have found us paying \$4,000 monthly to this group instead of \$7,600. Instead of receiving \$2,200 yearly from these 24 individuals, and proportionately from our other policyholders, we would, at present prices, be getting almost double the premium rate, \$4,200."

#### Attack Nebraska Law

LINCOLN, NEB., Sept. 10 .- An ap-LINCOLN, NEB., Sept. 10.—An appeal to the supreme court, made by the association of driver-owners of taxicabs in Omaha, challenges the validity of the law enacted by the last legislature, which compels all drivers of vehicles for hire to carry liability insurance. The lower court held it valid as to all component of the court of the lower court with the lower court held it valid as to all components of the lower court when the lower court held it valid as to all components of the lower court when the lower court held it valid as to all components of the lower court when the lower court when the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all components of the lower court held it valid as to all comp mon carriers except drive-it-yourself operators.

It is urged that the application of It is urged that the application of the law will deprive the independent operator of his livelihood, as the ex-pense of the policy or bond he must fur-nish will be out of proportion to the cost of the blanket policies the taxicab companies must give. The law is also attacked on the ground that it does not require operators of private automobiles require operators of private automobiles to carry liability insurance, and that to require one to take out a policy and not other is discrimination forbidden by the law.

#### Eighth Dakota Bank Robbery

KRAMER, N. D., Sept. 10.—The eighth bank robbery of 1930 in North Dakota occurred last week when the Kramer State bank was looted by two masked bandits who escaped with \$3,500. This brought the total of bank robbery losses up to \$43,551. robbery losses up to \$43,551.

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# JANUARY 1st, 1930

ASSETS		LIABILITIES	
Bonds and Mortgages\$ U. S. Liberty Bonds Government, City, Railroad and Other Bonds and Stocks Cash in Banks and Office Premiums in Course of Collection Interest Accrued Reinsurance Recoverable on Paid Losses	139,609.90 509,100.00 93,855,135.00 3,784,621.70 7,216,343.66 446,013.79 40,716.40	Capital\$  Surplus  Reinsurance Reserve  Losses in Course of Adjustment  Commissions and Other Items  Reserve for Taxes and Depreciation	7,000,000.00 44,315,436.03 26,803,146.42 12,122,958.00 10,750,000.00 5,000,000.00
\$105,991,540.45		*	105,991,540.45

### Surplus to Policy Holders . . . \$51,315,436.03

#### ISSUES POLICIES AGAINST

Fire, Marine, Tornado, Earthquake, Flood, Hail, Explosion, Riot and Civil Commotion, Sprinkler Leakage, Inland Marine Transportation, Parcel Post, Automobile, Aviation Insurance

Agents in Canada, Manila, Shanghai, London and Principal European Cities

#### E. C. Jameson, President

Lyman Candee, Vice-President
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J. L. Hahn, Assistant Secretary
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A. W. Taylor, Local Secretary

## SAMUEL T. JOHNSON, State Agent

1013 Majestic Building, Detroit, Mich.

### Progress since Consolidation in 1899

	Assets	Reinsurance Reserve	Surplus
Dec. 31, 1899	5 529,282.59	\$ 26,832.54	\$ 3,039.94
Dec. 31, 1905	3,932,447.83	1,753,038.09	1,256,146.92
Dec. 31, 1910.	5,255,362.12	1,936,224.86	2,365,363.37
Dec. 31, 1915	10,178,345.13	3,532,023.67	4,769,684.89
Dec. 31, 1920	42,765,374.55	16,593,764.16	11,361,311.89
Dec. 31, 1925	67,922,096.58	20,265,572.73	24,161,943.85
Dec. 31, 1926.		21,162,509.90	25,610,575.98
Dec. 31, 1927.	80,193,738.67	21,794,727.64	29,514,599.03
Dec. 31, 1928.	98,190,644.96	24,332,695.62	37,252,917.34
Dec. 31, 1929	105,991,540.45	26,803,146.42	44,315,436.03